Sustain-ability Report 2025

Passion. Precision. Purity.

Following the launch of our sustainability strategy in 2024, VAT continued its journey to creating value sustainably in the past year. We further reduced Scope 1 and 2 emissions, thanks to significant efforts in all our sites, but particularly in Malaysia and Romania. Furthermore, we submitted our near-term GHG-reduction targets to SBTi, underpinning our ambition to work towards reducing our environmental impact across all Scopes.

Taking care of the people that deliver high quality work for VAT every day is essential for us. This is shown on a strategic level through the implementation of our new human rights policy and operationally by a significant reduction in lost time accidents (LTA). In addition, we strengthened our internal processes and newly certified our manufacturing sites under ISO 45001.

The picture on the cover of this Sustainability Report shows the solar panel installations on our new factory building in Arad, Romania, with a maximum power output of 900 kWp. This installation will allow us to be up to 50% self-sufficient for the local production. Additionally, we are now sourcing >90% of electricity across all VAT production sites from renewables, a share that we are looking to further increase in 2026.

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Top: Metal waste from the milling process at our new plant in Romania is pressed into briquettes to reduce volume and increase recyclability (Arad, Romania)
Bottom left: VAT provides career opportunities through apprenticeships and training programs for young professionals at all production sites (Haag, Switzerland)
Bottom right: New water chillers at our site in Malaysia increase efficiency while reducing environmental impact from energy and water use (Penang, Malaysia)

Strategy and governance

Contents: Strategy and governance

Chairman and CEO's letter

Dear stakeholders,

We are pleased to share the progress on our sustainability journey with you. While 2025 was another year of transition for VAT's business, we retained our focus on our resources as well as getting back to the essentials and executing them flawlessly to strengthen our resilience and prepare for the expected ramp-up of business volumes in 2026. These focused measures also involved keeping the momentum for sustainability and continuing to pursue our sustainability strategy as outlined in last year's Sustainability Report. As part of our efforts to streamline processes, we are also proud to be publishing the Sustainability Report and the Annual Report simultaneously for the first time. This is the result of our teams working together closely and integrating sustainability into our daily business. As such, sustainability is not a stand-alone topic for us but something that is inherently ingrained in everything we do. You will learn more about this integration in this report.

> "We will continue our journey in line with the defined sustainability strategy while further building a true sustainability culture in our company and pursuing our ambition of becoming industry leaders in sustainability.

As the past year progressed, we saw growing uncertainty around geopolitics and market developments. This uncertainty has also continued to impact the way sustainability topics are perceived globally. Regulations have been adapted and rolled back in some jurisdictions, while in others, the focus on sustainability regulation has only started to pick up, with increasing legal scrutiny. At the same time, the global economy and financial markets are being shaped by mega forces, especially artificial intelligence, at ever-increasing speed. The corresponding demand for energy is driving national sustainability agendas. Consequently, while the energy transition has not halted, it has become fragmented. Navigating these times of uncertainty is no trivial matter and requires close monitoring.

Despite all this, for VAT the direction remains clear: We will continue our journey in line with the defined sustainability strategy while continuing to build a true sustainability culture in our company and pursue our ambition of becoming industry leaders in sustainability. This drive forward is not just focused on us. It is also designed to support all our stakeholders in their sustainability efforts. The aim of VAT's sustainability strategy is to help us achieve lasting business success and position us as the preferred partner for our employees, customers, suppliers, local communities, and shareholders. We believe that long-term economic success is only possible if we embrace 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.

Dr. Martin Komischke
Chairman of the Board
of Directors

Urs Gantner
CEO

When it comes to our own business operations, we are pursuing a clear plan to reduce greenhouse gas (GHG) emissions, working at the highest efficiency levels to protect resources and at the same time providing safe and attractive work environments. Our long-term perspective is clearly reflected in some of the highlights of the past year, for which the foundations were laid much earlier. We are particularly proud that our two new buildings in Malaysia and Romania have received some of the highest sustainability ratings: BREEAM Outstanding (Arad, Romania) and LEED Gold (Penang, Malaysia). The rating process for our innovation center in Haag, Switzerland, is still underway, but we are confident that we will receive equally high scores. Our production sites are now powered by 89% renewable energy, and in line with our stated target of 90% we are looking into expanding this share even further until 2027. Our efforts do not stop at our factory gates, however. In 2025, we signed off a GHG transition plan that aims to reduce our emissions along the entire value chain and thus across all scopes in line with SBTi near-term targets. The focus of VAT's transition plan is to find innovative ways of designing new products and solutions that save resources during manufacturing but also have a lower environmental impact over their complete life cycle. Given the nature of our business, where many products have a life cycle of more than 15 to 20 years, the full benefits of our efforts today will only grow over time; nevertheless, they are a key aspect of our continued market success, and sustainable design is therefore a decisive factor.

Operationally, we continued to anchor sustainability in our organization and reinforced the teams, especially in the business functions with a particular focus on supply chain management and environment, health and safety (EHS). This way, we can continue to thoroughly ensure that the standards that we apply are upheld to both internally and in our upstream value chain. These efforts also underscore the commitment to human rights, as well as health and safety, that we made in late 2024 when we joined RBA as an affiliate member. Particularly important to VAT is the fact that we were able to further reduce the accident rate in our operations thanks to ongoing training and accident mitigation efforts. As every accident means first and foremost an incident that impacts the wellbeing of one or more of our employees, as well as reducing our productivity as a company, minimizing the number and severity of accidents continues to be a top priority for our operations.

Last year, our past efforts were rewarded by a range of external ratings and certifications. Based on the strong internal processes we already have in place, we newly certified our occupational health and safety management systems in accordance with ISO 45001 and our information security management system in accordance with ISO 27001. At the same time, we maintained our ISO 9001 and 14001 certifications. For the first time, VAT received a silver medal from EcoVadis and a B score from CDP, while maintaining an AAA rating from MSCI and a medium risk rating from Sustainalytics. While we still have room to improve these rankings, it is a clear indication that we are on the right track on our sustainability journey. Ultimately, the efforts of all our colleagues resulted in further progress in achieving our sustainability targets, first communicated in 2022 and updated last year.

In late April 2025, VAT shareholders were again given the opportunity to vote on the 2024 Sustainability Report during the Annual General Meeting (AGM). With an acceptance rate of 96% – about three percentage points higher than in the previous years – we received strong verification that our sustainability strategy is the right one in terms of both focus and execution.

> "VAT's sustainability ambitions are deeply embedded in everything we do and as such remain unchanged as shown in our continuous progress and achievement in many areas. They are an integral part of our profitable growth story, aimed at creating lasting value for all our stakeholders.

The outlook for 2026 is just as exciting as the review of 2025. In the coming year we will continue working through our GHG transition plan in line with SBTi criteria. This means including sustainable practices in all our business departments, including product development and supply chain. We will also conduct an RBA VAP audit to ensure that we keep up with our self-imposed goal of meeting the highest standards of human rights in our organization. We remain committed to contributing to the societies we work with and encourage all our employees, business partners, and other stakeholders to follow suit in making sustainability an integral part of every action.

We hope you find this Sustainability Report informative as we share what we have accomplished so far and outline some of the challenges that lie ahead. We look forward to working with all our stakeholders to make VAT a truly sustainable company.

Dr. Martin Komischke
Chairman of the Board of Directors

Urs Gantner
CEO

Sustainability highlights

2025 marked another year of substantial progress toward VAT's sustainability goals. By executing our sustainability strategy and embedding it into our organization, we pursued our ambition to lead in sustainability the way we lead in vacuum solutions. Our 2025 sustainability highlights feature internal actions showcasing teamwork, innovation, and engagement from people across the company, as well as external partnerships and commitments.

Improvement in sustainability ratings

Our efforts to make VAT more sustainable were reflected in improved sustainability scores. 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. More details regarding the development of our ratings can be found on page 25 of this report.

Additional management system certifications

Working along clearly defined processes is key for a company providing the highest level of precision to its customers. This aspiration is not just pursued in product development and production processes; it is also ingrained in our management systems. In addition to our longstanding ISO 9001 and 14001 certifications, in 2025 we received ISO 45001 (occupational health and safety) certification for our headquarters and production sites. This underscores our commitment to improving worker health and safety on the basis of continuous improvement and management responsibility. Furthermore, we also achieved ISO 27001 (information security) certification, underscoring VAT's commitment to protecting sensitive data, mitigating risks effectively, and upholding the highest standards of confidentiality, integrity, and availability of information systems.

Emission reduction in Scopes 1 and 2 and submission of SBTi targets

We reduced GHG emission intensity (Scope 1 and 2) by 16% compared to 2024. This is closely related to an increase in renewable energy from 63% in 2023 to 89% in 2025, the result of the ongoing diligent work of our facility management teams. This means that we are on track to meet our stated target of 90% renewable energy by 2027. The share of electricity from renewables is already 98% across all sites, and

Renewable energy
Share

89%

2024: 86%
Target value: 90% by 2027

we expect to reach 100% in 2026 thanks to the relocation to our new, highly energy-efficient facility in Romania. Closely related to this continued progress, we have also achieved the goal of reducing Scope 1 and 2 emissions by 50% compared to 2022.

In 2025, we also identified key measures and drew up a transition plan to decarbonize our business beyond our own operations. Our near-term GHG reduction targets are now being reviewed by SBTi, and we expect formal approval in the coming months. The detailed corporate carbon footprint for VAT in 2025 can be found on pages 53 to 58.

Sustainable building certifications

In 2025, VAT inaugurated three new buildings at its main manufacturing sites in Romania, Malaysia, and Switzerland. In anticipation of future business growth, VAT completed the construction of the new plant in Arad in Romania in 2025. The new 21,000 m² site combines high-precision manufacturing areas, modern offices, and spaces designed to promote well-being. Sustainability was at the core of this project from day one, and as a result the building was awarded BREEAM Outstanding certification based on a score of 96.3% – one of the highest BREEAM International New Construction ratings ever achieved for an industrial building worldwide. This achievement is the result of a thorough design phase, close energy and water impact monitoring during construction, and an assessment of the impact on local ecosystems. Traceability of materials and local procurement reduced the building's carbon footprint, which was also a positive factor in the rating.

Our site in Penang in Malaysia was expanded with the new 1B factory location, which received a LEED Gold certification based on a score of 60/100. The building was also awarded the Penang Green Office Project Certification by Penang Green Council. As in Romania, this achievement was only possible because sustainability aspects were incorporated in the building's design from the very beginning. Highlights of the LEED rating were the good energy and transportation performance, water efficiency, and indoor environmental performance. In Haag, Switzerland, VAT's Innovation Center was completed during spring 2025. It offers state-of-the-art research and development space for over 300 engineers, which allows VAT to bring all its Swiss-based R&D efforts under one roof. Although the certification process for the Innovation Center is ongoing, given the thorough inclusion of sustainability features throughout the process, we anticipate an equally positive result. Naturally such certifications are a reason to celebrate. Yet more important for VAT is the insights from these certification processes, which will enable us to further reduce the environmental impact of our operations in the future.

Further integration of sustainability into product design

As shared in our 2024 Sustainability Report, we started gaining insights into the environmental impact of our products through two environmental product declarations. These learnings were enhanced in 2025 and gave rise to an additional life cycle analysis (LCA) of one of our bestselling products, the 05.3 transfer valve. As part of an update of this product, we worked with external experts to identify specific levers to reduce its environmental impact across all stages of the life cycle. These initiatives are now being included in the further development roadmap for existing and especially future products to ensure a continuous reduction in some of the biggest sources of our GHG emissions.

Updated double materiality analysis (DMA)

Three years after VAT's first double materiality analysis, we conducted the assessment for a second time to include relevant changes to VAT's business. We evaluated our social and environmental impact (impact materiality) and risks and opportunities affecting our business (financial materiality). We involved suppliers, customers, and employees from different departments to define material topics with accuracy and corroborated our sustainability strategy on the basis of these results. The detailed process of our DMA as well as the materiality matrix can be found on page 16 to 17 of this report.

Fair pay commitment

We were audited by Fair-ON-Pay in Switzerland and received the Fair-ON-Pay Advanced certificate, the highest possible recognition, valid for the next four years. Fair-ON-Pay verifies equal pay between women and men in the workplace and recognized VAT for meeting its standards. Certification is based on a statistical analysis of equal pay using Logib (the Swiss federal government's equal pay review), which is acknowledged as best practice by EPIC (Equal Pay International Coalition). For companies that meet the standards, it results in a four-year certification issued by an independent quality auditor. This achievement reconfirms our commitment to equal pay for all employees and highlights our ongoing efforts to be a fair and modern workplace.

We have conducted a similar analysis in Romania to prepare for the EU Pay Transparency Act. The analysis has not revealed any structural pay gaps. In compliance with the incoming regulations, we will report any identified pay gaps and disclose pay ranges to candidates going forward.

Our business

VAT's business model: Empower your tomorrow

VAT is the world's leading supplier of advanced vacuum valves used to make semiconductors, photovoltaic solar cells, digital displays, and a wide variety of other products for advanced industrial and research applications. These are products whose manufacturing requires a level of precision only attainable in near-perfect vacuum environments.

Semiconductors contain molecule-sized nodes. The tiniest unwanted particle contaminates the entire fabrication process, in an industry where equipment reliability, uptime, and the highest possible product quality are essential to commercial success. During the manufacturing process for semiconductor chips, major steps take place under a vacuum atmosphere. The complete process from start to finish often involves more than 1,500 steps, with control of the environment being crucial at every step. The need for reliable high-precision manufacturing environments is growing in many industries and applications where VAT is the market and technology leader.

Global megatrends driving growth

Many technological, economic, and environmental trends are based on the use of semiconductors, providing VAT with significant growth opportunities. Digitalization is the most important one, pointing to growing global demand for computers, phones, and other electronics. Demand continues to grow for more, and increasingly powerful, semiconductors used in these digital devices, data centers, smart factories, and homes. The rapid growth in applications using artificial intelligence (AI) has further increased demand.

Renewable energy and the need to address climate change is another growth driver for VAT. Vacuum valves are used to manufacture high-efficiency solar photovoltaic panels and high-power semiconductors. Semiconductors are critical components of electric vehicles and smart grids as well, while vacuum valves are also used in direct air carbon capture, at existing nuclear power generation facilities, and in research into fusion power generation.

Furthermore, ongoing advances in high-precision manufacturing at a scale of nanometers has enabled significant improvements in product quality, performance, and reliability in high-performance optical elements, biomedical parts, industrial coatings, and other applications. These trends are expected to continue using the most advanced vacuum valves.

Leading technology and market position are the basis for VAT's ongoing profitable growth

VAT benefits from these trends in two ways.

The first is the growing volume of semiconductor units needed. There is ever-increasing demand for more digital devices in industry, greater interconnectivity in consumer electronics, expanded cloud computing and data storage related to growth in AI. These developments require the fabrication of a larger number of chips, thus generating growing demand for vacuum valves.

The second factor is the increasing complexity involved in the manufacture of leading-edge semiconductors with node sizes of 3 nanometers or less. These more powerful and more energy-efficient chip designs typically pack more transistors into the

R&D investment 2025
in CHF million

75

2024: CHF 61 million

EBITDA margin
in % of net sales

30.0

2024: 31.2

same or a smaller space, which in turn requires more process steps, higher manufacturing purity, and longer times in the process chambers. Vacuum valve performance becomes even more critical to meet these new demands.

The semiconductor equipment market

The semiconductor industry is VAT's largest end market, accounting for close to 80% of net sales in 2025. The overall value of semiconductor sales is now expected to reach more than USD 1 trillion by 2027, up from about USD 650 billion in 2025.

VAT sells its valves to original equipment manufacturers (OEMs) for use in chip manufacturing, generally referred to as wafer fabrication equipment (WFE). Investments in WFE increased by approximately 10% in 2025, reaching around USD 115 billion.

Business segment structure and global scope

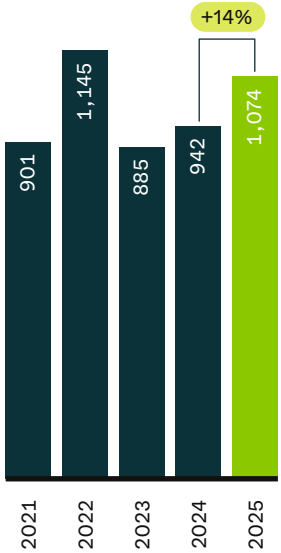
VAT is structured in two segments. The Valves segment is focused on VAT's core vacuum valve technology and consists of the two business units aligned with its biggest markets, Semiconductors and Advanced Industrials. The Semiconductor business unit also includes the company's display business, while its solar-related activities are embedded in the Advanced Industrials business unit. The second segment, Global Service, supplies a growing range of services and solutions to help customers improve their competitiveness through increased productivity and uptime. This inherently includes a number of circular business elements, including the refurbishment, repair, and re-use of product components.

VAT employs more than 3,000 people. Its headquarters are in Haag (Switzerland) and it has additional manufacturing sites in Penang (Malaysia) and Arad (Romania). The company also operates sales and distribution sites in the US, Europe (France, Germany, the Netherlands, and the UK), and Asia (China, Japan, Singapore, South Korea, and Taiwan). In 2025, VAT inaugurated both a new production facility in Romania and an innovation center in Switzerland. You can learn more about the outstanding sustainability features of these new buildings in the highlights section of this report.

Many of VAT's largest customers have their main production centers in Asia, although Europe and the US remain key locations, especially for chip technologies such as extreme ultraviolet lithography (EUV). VAT also has an increasingly global supply chain of mainly small- to medium-sized companies, many of which are technology leaders in areas such as surface-coated metals, sealing, and mechatronics. Being close to customers, especially in times of rapid market and technology changes, is becoming ever more important to maintain and expand technology leadership, customer relationships, and market share. In this respect, our production footprint plays a significant role in promoting our proximity to customers, helping us cut transport costs and the resulting environmental impacts.

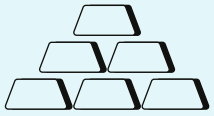
Net sales development

in CHF million

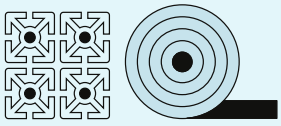


VAT's value chain

Mining of raw material and ore

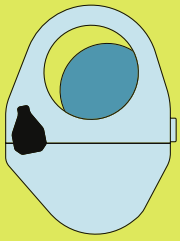


Primary material production



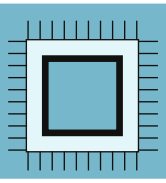
Semi-fabrication and pre-products

Upstream



VAT's own business
Own business manufacturing, R&D, administration, services, sales and logistics

OEMs
Original equipment manufacturers



Device manufacturers
Use phase

End-of-life
Recycling or re-use

Downstream

Sustainability strategy

As a leading manufacturer of vacuum valves, we at VAT understand the importance of taking responsibility not only for the quality and performance of our products, but also for our environmental and social impact. Futureproofing the company is another critical aspect of VAT's sustainability strategy. We recognize that sustainability risks can have a significant impact on our business, and we are committed to addressing these risks. At the same time, we believe that sustainability represents significant strategic opportunities for value creation, innovation, and growth. Lastly, sustainability is in tune with our culture and is reflected in the four passions which define us: *integrity, teamwork, customer centricity,* and *innovation.*

For VAT, sustainability means creating long-term value not just for the company, but also for the environment and the people we affect. Sustainability at VAT is therefore built on three key pillars: people, planet, and performance. *People* represents the social dimension, *planet* the environmental dimension, and *performance* the economic dimension.

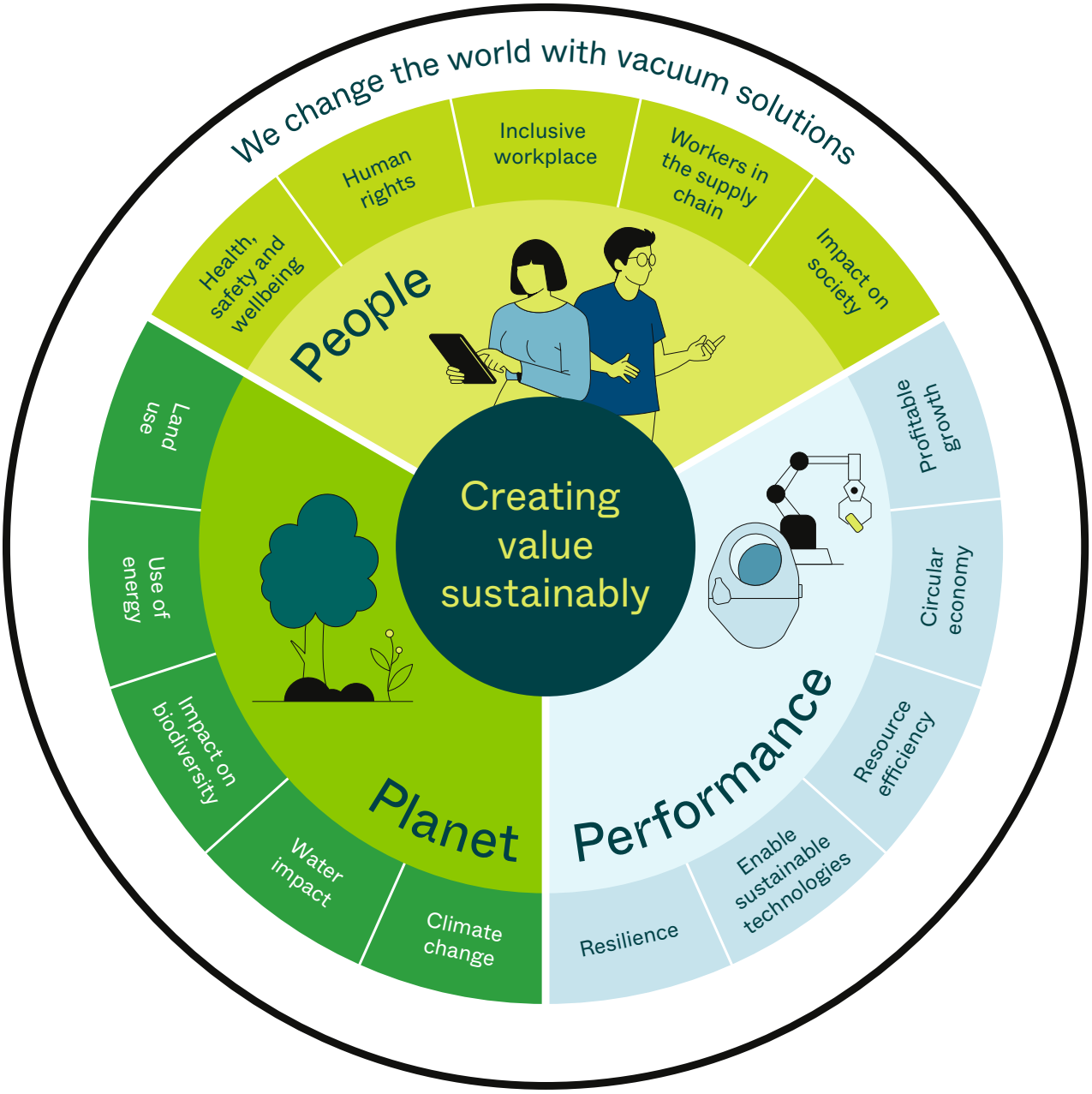
> Sustainability is a crucial part of our business strategy as it serves as a key prerequisite for the current and future success of VAT and all our stakeholders.
>
> Dominik Schwyter, Head of Sustainability

Our strategy also allows us to further contribute to the UN's Sustainable Development Goals (SDGs), to define clear targets for each topic, and to follow a prioritized roadmap of measures to progress towards these goals. In line with our governance structure, the sustainability strategy was endorsed by VAT's Group Executive Committee as well as the Sustainability Committee of the Board of Directors.

People: the social dimension
Internally, we foster a diverse and inclusive work environment and promote employee learning and development. 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.

Planet: the environmental dimension
Our priority is to reduce climate risks and VAT's environmental impact in the most relevant dimensions. VAT's primary environmental goal is therefore to decrease the CO_2 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. We are aware that global warming, as well as the use of water and land, may also have repercussions on biodiversity.

Performance: the economic dimension
We at VAT believe that considering the environment and people goes hand in hand with both increased efficiency and continued business success. We want to harness the benefits of resource efficiency, circularity, and sustainable innovation to continue creating value and growing our business. Besides that, we incorporate sustainability criteria into our product design early on, enabling better solutions for our clients and opening up new business opportunities.


We change the world with vacuum solutions
Creating value sustainably
People
Health, safety and wellbeing
Human rights
Inclusive workplace
Workers in the supply chain
Impact on society
Planet
Land use
Use of energy
Impact on biodiversity
Water impact
Climate change
Performance
Profitable growth
Circular economy
Resource efficiency
Enable sustainable technologies
Resilience

Materiality assessment

In 2025, VAT completed an update of its double materiality assessment (DMA), first conducted in 2022, to update its focus in terms of regulatory-compliant sustainability reporting and establish a foundation for business development and strategic prioritization. Through systematic evaluation of stakeholder perspectives focusing on customers, investors, and employees and alignment with VAT's corporate strategy, we identify those sustainability topics with the highest priority. The goal is the integration into business development as we see sustainability not as a parallel objective to other strategic objectives, but as an integral component of our strategic direction for measurable future value creation.

The double materiality assessment was performed in line with the requirements of the European Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The guiding concept of "double materiality" considers two perspectives: impact materiality, which examines VAT's effects on the environment and society along the entire value chain; and financial materiality, addressing sustainability-related opportunities and risks to the company's financial development. The assessment was based on VAT's value chain model, extending from raw material extraction to OEM integration and end customers in the semiconductor, solar panel, and display industries.

Since the last assessment in 2022, VAT enhanced the level of analysis and updated the methodology following a structured six-step process: (1) situation analysis, (2) stakeholder engagement across the value chain, (3) preliminary topic identification, (4) impact-risk-opportunity (IRO) analysis, (5) materiality matrix development and validation, and (6) final approval by senior management. The process integrated insights from extensive internal interviews with leadership across departments, employee surveys, structured engagement with key customers and investors, and comprehensive desk research on industry benchmarks and regulatory developments. As a result, 15 material topics were identified, up from 8 in 2022. This increase reflects the further differentiation and specification of sustainability topics rather than an expanded scope. Topics previously addressed implicitly are now explicitly defined, enabling more granular analysis and clearer mapping to ESRS requirements. This enhanced structure supports both regulatory reporting and the integration of sustainability into corporate strategy.

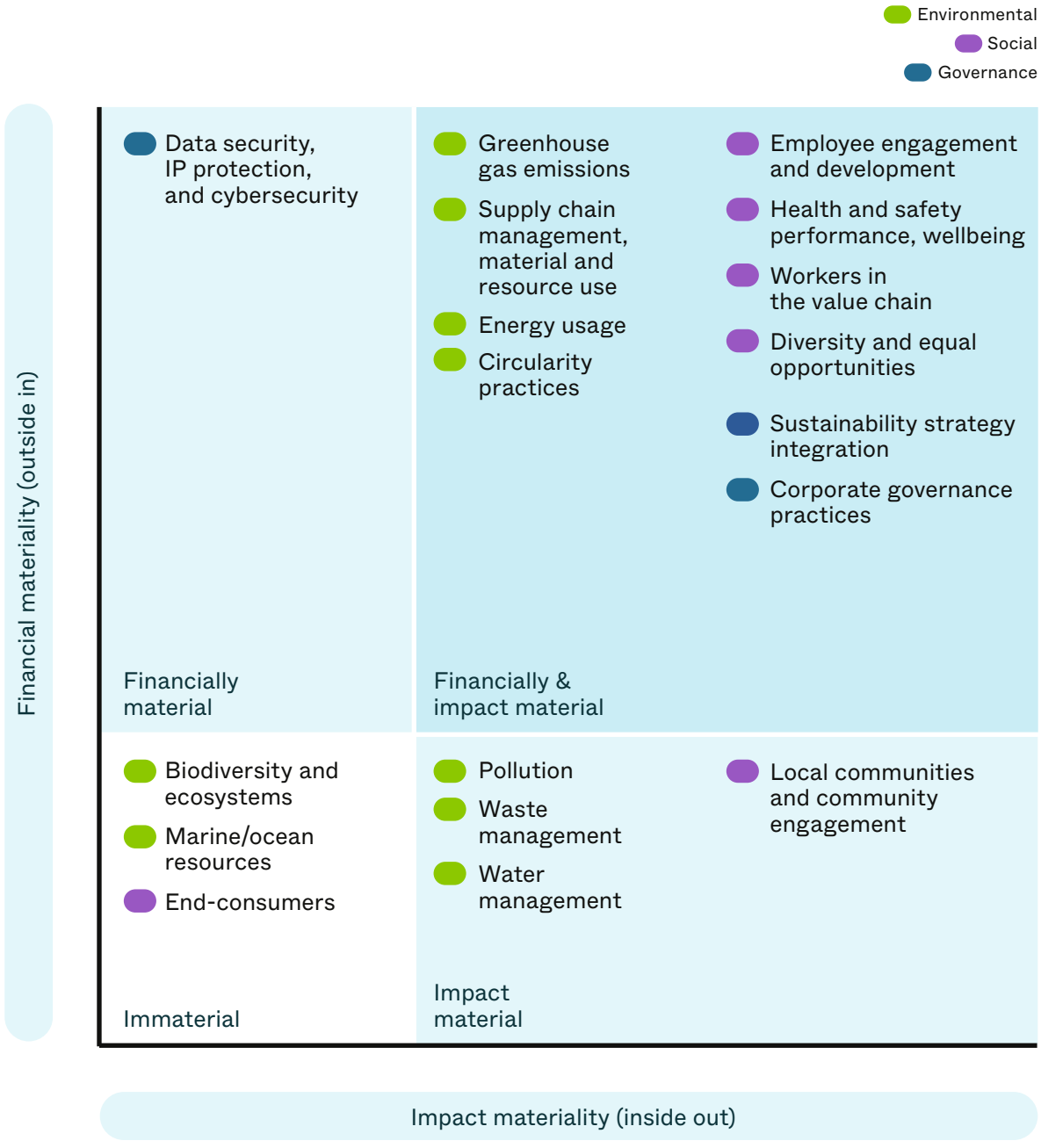
The 15 material topics span environmental, social, and governance dimensions. From a reporting perspective, supply chain management, greenhouse gas emissions, health and safety, employee engagement, and data security emerged among the highest-rated topics across both materiality dimensions. A notable finding was the strong correlation between impact and financial materiality scores, indicating that topics with significant environmental or social impacts also have substantial financial relevance. Governance topics represented a distinct exception, demonstrating a stronger orientation toward financial materiality while receiving comparatively lower ratings for impact materiality. Biodiversity and ecosystems was classified as not material following deliberation during the internal workshop. Nevertheless, VAT remains committed to assessing its impact on biodiversity, particularly for sites located near biodiversity-sensitive areas, and will explore expanded reporting in the future.

Beyond regulatory compliance, the assessment identified topics with particular strategic potential for value creation and competitive differentiation. These include decarbonization pathways, circular economy and retrofit offerings, supply chain transparency beyond Tier 1, and corporate governance practices, including the integration of sustainability into strategy. As strategic focus areas, these topics represent opportunities where sustainability initiatives can directly contribute to VAT's business development. As a result, we reviewed and confirmed the sustainability strategy, which was communicated in 2024, based on the updated DMA.

The double materiality assessment was ultimately endorsed by VAT's Group Executive Committee and the Sustainability Committee of the Board of Directors, ensuring alignment between sustainability priorities and corporate governance. In line with best practice, the materiality assessment is updated every three to four years or upon significant changes to VAT's business model.

Materiality matrix

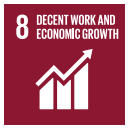
Impact and financial relevance of sustainability topics that are material to VAT (DMA 2025).



Ambition and status

Based on its industry-leading position, in recent years VAT has already made efforts to reduce its environmental footprint and enhance its position as a socially responsible employer, as shown in past sustainability reports. Building on this development, the ambition for the years 2025 to 2029 is to become an industry leader to the same extent that VAT already leads with its products. Building on our previous targets, we used our sustainability framework to better structure and refine our sustainability strategy, encompassing the entire organization. Global frameworks such as the UN SDGs, and SBTi for emission reduction, are taken as guidance when setting targets. To reach our goals, our approach is to foster a continuous dialogue within the company and between VAT and external stakeholders.

People

Topic	Target	Current value	Status
Health, safety and wellbeing			
	Maintain accident rate[1] below 10 by 2026	4.9	On track
	Set up ISO 45001 (Health and Safety) management system by 2025	Certification completed	Achieved
Human rights			
	Conduct human rights risk assessment at all VAT manufacturing sites	Ongoing	On track
	Train at least 95% of employees in human rights	100%	Achieved
Inclusive workplace			
	Increase the share of women among new hires to 24% by 2027 and 25% by 2030	23%	On track
	Increase the share of women in leadership positions to 25% by 2027	16%	Under review
Workers in the supply chain			
	Conduct supply chain RBA assessment with 80% of suppliers (by spend) in 2025	90%	Remains
	At least 90% of suppliers have signed VAT's supplier code of conduct by 2025, and 100% by 2026	89%	Remains
Impact on society			
	By 2029, 30% of employees are taking part in a social activity organized or supported by VAT	23%	On track

[1] Lost Time Accidents (LTA)/1,000 FTE

Planet

Topic	Target	Current value	Status
Climate change			
	Reduce Scope 1 and 2 emissions by 50% by 2025 (versus 2022)	–81%	Achieved
	Reduce Scope 3 emissions in line with SBTi by 2033 (versus 2023)	SBTi targets submitted	On track
Water impact			
	Conduct a water stress assessment[1] for each VAT manufacturing site by 2025	Assessment completed	Achieved
Use of energy			
	Increase the share of renewable energy consumed at VAT to over 90% by 2027	89%	On track

[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	>20%	Achieved
Circular economy			
	By 2029, increase the value of VAT's service offering by ensuring longevity and the promotion of product circularity	Ongoing	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	Ongoing	On track
Resilience			
	By 2025, have mitigation plans for sustainability risks in place and managed in the group-wide risk management process	Included in group risk management	Achieved
	Over 95% of employees have completed the cybersecurity training by 2025	98%	Achieved
	Maintain zero confirmed cases of corruption	0	Achieved
	By 2025, 100% of reported whistleblowing concerns are investigated and closed	100%	Achieved

Engaging with stakeholders

True to our ambition of excelling in sustainability the way we excel in vacuum solutions, our goal is to play a role in the transformation of the way our industry works. We therefore lead an open dialogue, encouraging all stakeholders to play their part in addressing some of our planet's biggest issues. By following a strategic approach to sustainability, VAT can generate profitable growth and at the same time consider and meet other stakeholders' interests.

Stakeholder group	Main sustainability concerns	Method of interaction
Customers	Customers play a key role in VAT's efforts to reduce its impact on the environment. We partner with customers to increase the circularity of our products, reduce the impact of, for example, energy consumption, and design the sustainable technologies of tomorrow.	– Communicating on sustainability goals and actions from both sides – Considering customers' objectives when defining the sustainability strategy
Authorities/Regulators	Authorities define the legal framework within which VAT must operate in terms of its own activities and supply chain, particularly in areas such as human rights, carbon emissions, energy use, and waste management. VAT needs to ensure compliance with existing standards, anticipate future developments, and take on an advocacy role through its memberships to ensure environmental considerations are reflected.	– Complying with current national and international regulations and anticipating future rules – Participating in relevant industry organizations to foster dialogue with policymakers
Employees	VAT cares for its employees, guaranteeing their safety and well-being at the workplace. VAT corporate culture cultivates inclusion to fully harness the benefits of having a diverse workforce and attract talent. Employees are also responsible for making our operations more sustainable by innovating and designing new processes that reduce negative environmental or social impact.	– Fostering dialogue within VAT, e.g., through resource groups such as eleVATe – Increasing sustainability awareness within the company and further integrating sustainability in both our company culture and operational processes
Society (Community/NGO/ Media)	VAT strives for a positive impact on the communities in which it operates. Beyond creating jobs, VAT partners with local civic organizations to support sports and education and inspire young talent.	– Fostering awareness of society regarding sustainability – Promoting transparent and open communication of VAT's sustainability journey – Social engagement such as educational programs, sponsoring, etc.
Investors (Equity and Debt)	Investors support VAT's long-term growth and enable it to continue innovating and supporting sustainable technologies.	– Making our business more sustainable means improved risk management and long-term shareholder value – Communicating about sustainability goals and strategy with the financial market (shareholders, advisors, etc.)
Suppliers	VAT works closely with suppliers to reduce its CO_2 emissions. VAT also fosters an open dialogue and advocates for workers' rights across the supply chain. VAT strives to select suppliers whose values and conduct are aligned with its own. Supplier management is a fundamental aspect of making our organization more resilient.	– Openly communicating and collaborating with suppliers to make our businesses more sustainable across the entire value chain – Improving transparency, accountability, and ethical practices throughout the supply chain ecosystem

Sustainability governance

VAT Group is committed to the highest principles of good corporate governance, aimed at ensuring transparency while safeguarding stakeholder interests. The ultimate strategic steering of sustainability across the entire company lies with the Board of Directors' Sustainability Committee.

Responsibilities and monitoring

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 (GEC). The Board represents VAT in dealings with third parties and manages all matters that have not been delegated to another body of VAT Group AG by law, the Articles of Association, or other regulations.

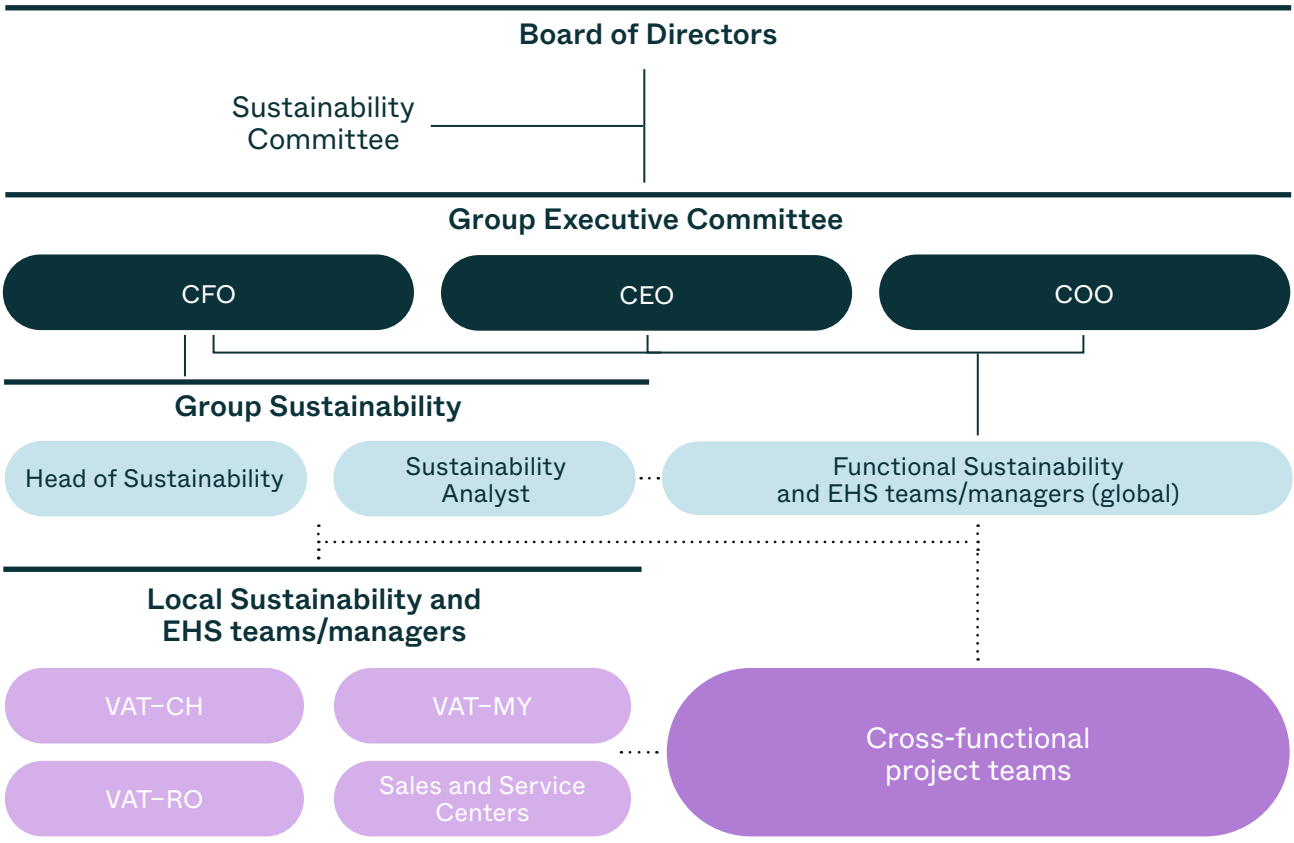
Board of Directors Sustainability Committee
A dedicated Sustainability Committee, comprising members of the Board of Directors, oversees and steers the implementation of the sustainability strategy in close collaboration with the Group Executive Committee. The Sustainability Committee ensures that sustainability is considered in VAT's strategic decision processes, such as action plans, risk management guidelines (including those related to climate risks), annual budgets, business plans, as well as setting VAT's long-term targets, monitoring implementation and performance, and overseeing major investments, acquisitions, and divestitures. The detailed guidelines that define the work of the Sustainability Committee are defined in the committee charter, which can be found on www.vatgroup.com/sustainability.

Group Executive Committee
The CEO has ultimate responsibility for overseeing and implementing policy commitments to responsible business conduct, including respect for human rights, with day-to-day support provided by the compliance department.

The responsibility for sustainability is delegated to the CFO, who ensures that the full Group Executive Committee is involved in sustainability matters. The variable short-term incentive for the GEC depends on the company's sustainability performance among other factors.

Group Sustainability
In operational terms, sustainability is steered by the group sustainability team, which reports to the CFO, in collaboration with local and functional experts within VAT, including people in the supply chain team. The group sustainability team is responsible for cross-functional alignment, defining the division of tasks, as well as for other daily operational tasks. The group sustainability team is also responsible for group-wide sustainability awareness-building and coordinating training and education.

Organization chart (as of March 3, 2026)



Functional Sustainability and EHS teams (global)
The functional teams involved in the sustainability process include areas such as supply chain management and operational health and safety that are key to ensuring that VAT's strategic sustainability ambitions are actively pursued in the business.
The supply chain sustainability team is responsible for making sure that the supply chain fulfills VAT's expectations and regulatory sustainability requirements in terms of social responsibility, environmental practices, ethical business conduct, and climate emission reductions. Environment, health and safety (EHS) teams promote a safety culture by planning awareness campaigns, making sure procedures for operational controls are in place, and defining policies, standards, and manuals in line with the required industry standards.

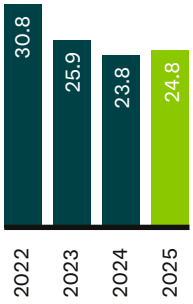
Local Sustainability and EHS teams
Local responsibilities for sustainability matters, especially environment, health, and safety processes are delegated to dedicated resources in the country organizations, while project teams are put in place to achieve specific results that support the overall sustainability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

Cross-functional project teams
A project team is established whenever a topic is sizable and significant enough to form a separate team and work on a solution for a set time. Examples include the SBTi reduction path and the development of new or updated products.

Information process and monitoring
Sustainability Committee meetings are held every quarter to oversee and steer the implementation of the sustainability strategy in close collaboration with the Group Executive Committee. Where alignment is required, sustainability topics are brought to the attention of the GEC by the CFO. Group and functional sustainability teams also meet regularly to share key information and align on project advancement. The group sustainability team and CFO have a monthly alignment meeting to discuss sustainability matters, target setting, and budgeting, where needed. Sustainability-related news and achievements are shared with the whole company through VAT's internal network.

Sustainability ratings and memberships

Sustainalytics

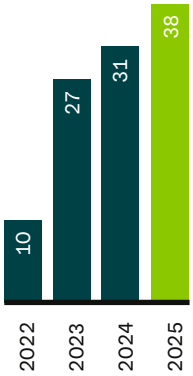


risk rating:
negligible (0–10)
low (10–20)
medium (20–30)
high (30–40)
severe (40+)

MSCI

ratings ranging from CCC to AAA

S&P Global



(out of 100 points)

CDP

Rating

B

Ratings in 2024:
D (Climate Change)
D- (Water Security)

Disclosure (D/D-)
Awareness (C/C-)
Management (B/B-)
Leadership (A/A-)

EcoVadis

Silver medal awarded

75/100

Score in 2023: 41/100

Top 8% of all rated companies

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.

Top: Our new plant in Romania reached a BREEAM Outstanding certification, the highest possible ranking, thanks to a comprehensive consideration of sustainability criteria from day one (Arad, Romania)
Bottom: One of the features installed at the new plant in Arad is a heat recovery system, reducing energy use and increasing production efficiency (Arad, Romania)

Facts and figures

Contents: People

Contents: Planet

Contents: Performance

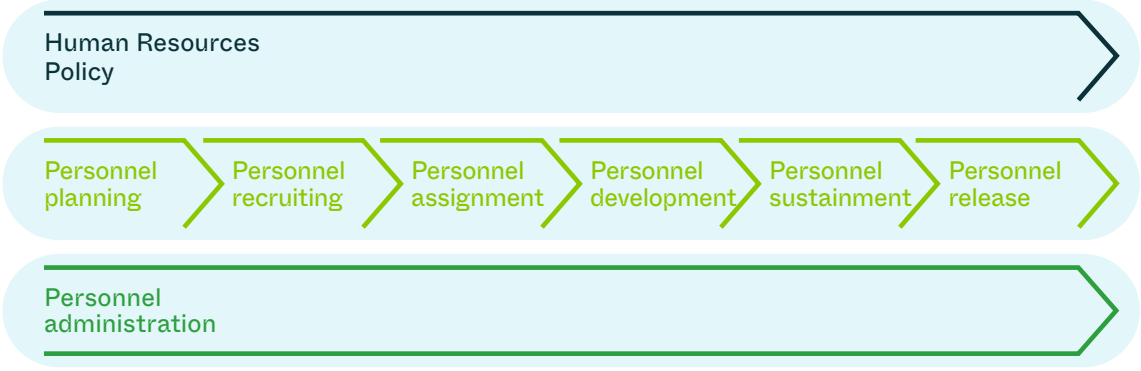
People

We at VAT are convinced that our employees are our key competitive advantage. Their skills, experience, engagement, and flexibility have been crucial to the company's ability to innovate and build strong, long-term relationships with both customers and suppliers, thus driving VAT's leading market position.

Training, education, and thorough safety measures lead to improved labor practices. Together with a better work-life integration, fair wages, and social benefits, this results in more qualified, satisfied, motivated, and productive employees. This, in turn, can positively impact productivity. Likewise, these efforts can be of significant value when it comes to recruiting more qualified staff in the future to secure the long-term success of VAT.

At VAT we build on a clearly structured employee life cycle that helps us attract the right talent and ensure that they can perform to their best ability, thus ensuring a high-quality employee experience from recruitment to retirement. The employee life cycle is shown in the illustration below:

Employee lifecycle and Human Resources management



Talent management

In the rapidly evolving semiconductor sector, having the right talents is essential for adapting to new challenges, enhancing innovation, and ensuring overall organizational growth. Therefore, the knowledge and expertise of VAT's employees are foundational to the company's operations, playing a significant role in shaping its performance and competitive standing. As talent management is a key enabler for all aspects of our organization, it is covered as an underlying structural element for the entire company and not as a self-contained sustainability topic in our strategic framework.

As a forward-thinking and responsible employer, VAT is committed to providing not only jobs, but also opportunities for career and personal development. We have a range of talent development and training programs designed to help employees reach their full potential. Alongside attractive working conditions and opportunities for further education, VAT fosters a culture of appreciation within the organization. We therefore encourage talented personnel to stay with us and endeavor to mitigate the risk of high turnover rates, which can result in the loss of critical knowledge and significant costs associated with the recruitment, hiring, and training processes. Caring for our employees also reduces risks related to occupational ill health and dissatisfaction. Leveraging its global reach, VAT strives to create a fulfilling work environment for its employees in all its operations.

Through the transparent management of resources, fair and transparent performance assessment, and rewarding compensation plans, VAT assigns its personnel so that people can best perform and flourish in their roles. This includes capacity planning and working time schedules that allow the best integration of work and private lives.

Regular talent reviews

Regular talent reviews are a vital component of our organizational strategy, ensuring that all employees receive a thorough assessment of their skills and performance. In 2025, 100% of our employees underwent talent reviews where the leadership team calibrated their performance and potential as well as their succession plans. These reviews, conducted as part of our annual talent review cycle and succession planning, provide ample opportunity for assessments and feedback between the supervisor and the employee regarding alignment with the company's values. By holding regular performance and career development discussions, we promote employee engagement and strengthen organizational performance, upholding our commitment to fair and equitable evaluation. This transparent approach underscores our dedication to monitoring and nurturing the skill sets of our workforce, driving continual growth and success.

To ensure future readiness, VAT conducts annual workforce planning to forecast staff needs and skill requirements. This includes defining job roles, determining requirements, and aligning recruitment plans with business growth. Our personnel marketing initiatives, including those involving university partnerships and job fairs, strengthen VAT's access to talents globally.

Programs for upgrading employee skills

For more than 50 years, VAT has been training apprentices in Switzerland through its apprenticeship program. It now covers four technical professions and lasts between three and four years.

VAT also implements and promotes apprenticeships in countries where this is not already the norm. The site in Malaysia launched its own apprentice training center in 2023 and welcomed the third cohort of eight apprentices in 2025. VAT Malaysia continues to participate in the German dual vocational training program in precision machining, a collaborative initiative between the Penang Skills Development Center (PSDC) and the Malaysian-German Chamber of Commerce (AHK: Auslandshandelskammer). On successful completion of the three-and-a-half-year program and passing the exams, the apprentices will receive both a precision mechanic certification from the AHK and an advanced skills diploma in precision machining from the PSDC.

In 2023, VAT launched a program in Romania in collaboration with the Aurel Vlaicu Technological High School in Arad. Through this three-year program, students acquire both theoretical knowledge and hands-on experience in their chosen field of study. At the end of the internship period, they have the opportunity to be employed by VAT. In 2025 we welcomed 11 new joiners to this program, and we expanded our collaboration by partnering with Caius Iacob High School to support mandatory practice internships, taking on 40 pupils. Through this partnership, the school also achieved a significant milestone by winning the Winter Tech League Meet. These initiatives strengthen local vocational education systems, expand access to technical careers, and contribute to long-term skills development in the regions where VAT operates.

For more experienced employees, VAT offers both leadership and technical development tracks. The core competency program aims to connect and enhance the skills of our technical specialists, while the CultiVATe leadership development journey is designed for employees with potential for future managerial responsibilities. The CultiVATe program rolled out globally in 2023, and in 2025 successfully continued with two cohorts of 46 employees in total (2024: 3 cohorts of 72 employees). The program brings together the best elements of other former management and leadership programs at VAT. By investing in such programs, VAT aims to cultivate a pool of future leaders, promote a culture of continuous learning, encourage talent retention, and secure its succession planning for long-term organizational continuity, stability, and growth. Additionally, targeted leadership programs are delivered in Malaysia to foster the skills and talents our people need to thrive in their roles at VAT.

To support employee growth, in 2025 VAT also organized a university booth on our premise in Malaysia. VAT employees had the opportunity to explore tailored programs for working professionals and get personalized advice.

	Training and internship programs: apprentices and university students	Professional training programs
Global		CultiVATe leadership: a journey enhancing leadership skills and fostering personal growth for employees aspiring to managerial roles Core competency program: an ongoing platform connecting competence communities to foster and hone the skills of our employees through regular exchange
Switzerland	Apprenticeship programs: – Designer EFZ – Polymechanic EFZ – Production mechanic EFZ – Physics laboratory technician EFZ	
	Various internship opportunities for university students offered all year, and continuous close relationships with universities in central Europe (university job fairs, projects, student clubs, etc.)	
Malaysia	Apprenticeship training programs offered for precision machining as a dual program between AHK and PSDC	Supervisor development program: five-month training program to help line managers develop the skills and knowledge necessary to excel in supervisory roles and people management
	Graduate trainee scheme: 18-month program for postgraduate students Internship: 3-to-6-month program for undergraduate students	Advanced leadership program covering three phases: strategic thinking and analysis, leading growth, and leading change and innovation
Romania	Apprenticeship (dual study program): three-year program providing both theoretical knowledge and hands-on experience in welding and machining Internship for university students offering three weeks of summer practice period and an ongoing relationship with universities (university job fairs, projects, sponsorship for workshops)	

Training

Besides the targeted development programs outlined above, VAT offers a wide range of ongoing training programs that ensure that relevant information is provided to employees. In the year 2024 there was a higher need for trainings as part of the implementation of the new ERP software. In 2025 we also had fewer training events, and shorter IT trainings, which explains the decrease in total hours of training. In the future, we will continue to enhance our training initiatives and to track participation more accurately and comprehensively.

	2025	2024	2023
No. of training hours invested (total)	68,138	99,142	24,963
Hours of training per employee (women)	31	34	-
Hours of training per employee (men)	19	33	-
Total hours of training per employee	22	34	9
Data coverage (% of employees covered)	>95%	>95%	>95%

> In addition to developing professional skills, vocational training is all about personal development. Trust and targeted support are key to help young people find their place in the profession and make their talents visible.
>
> Mathias Goop, Apprentice Training Center Manager, Switzerland

Health, safety, and wellbeing

VAT is committed to safeguarding the health, safety, and wellbeing of its employees and all people working under its control. Our ambition is clear: zero accidents and zero work-related ill health, achieved through strong safety leadership, disciplined systems, and active employee participation. VAT fosters a positive and supportive working environment that ensures all employees return home safe, healthy, and well every day.

VAT complies fully with applicable international, regional, and local environmental, health, and safety (EHS) laws and regulations across all operating jurisdictions. This includes compliance with Malaysia's Occupational Safety and Health Act (OSHA) and relevant European Union occupational health and safety directives and national implementing legislation. In Switzerland, VAT is also a signatory to the SUVA Safety Charter, applying SUVA safety rules alongside internal EHS standards to ensure consistent, high-level protection for all employees.

VAT recognizes its responsibility to prevent, mitigate, and address significant occupational health and safety impacts directly linked to its operations, products, services, and business relationships. To fulfil this responsibility, VAT has established policies, governance structures, and operational processes that ensure occupational health and safety considerations are systematically integrated into daily operations, decision-making, and contractor management across all locations. Overall, our occupational health and safety management system is designed to prevent harm, reduce risk, and protect employees, contractors, and other workers across all sites.

In 2025, the effectiveness of our management system was demonstrated by measurable reductions in accident frequency and severity, confirming that preventive controls are embedded, execution is disciplined, and a strong safety culture continues to mature across the organization.

Governance, oversight, and accountability

Health and safety governance at VAT is led by the global EHS function, which defines the overall strategy, establishes policies and standards, monitors global EHS KPIs, ensures audit readiness, and drives continuous improvement across production, sales, and service centers. Site EHS teams are responsible for implementation at the site level, ensuring regulatory compliance, maintaining safety training programs, and actively engaging employees in day-to-day health and safety activities.

Senior leadership oversight is reinforced through regular governance forums. A monthly global safety forum, led by global EHS and attended by site EHS teams, site leaders, and general managers, provides a structured platform to review performance trends, share incident learnings, and align improvement actions prior to implementation. In addition, EHS KPIs are reviewed as a standing agenda item at Operations Management Meetings, chaired by the Chief Operating Officer (COO) and attended by senior operational leaders, demonstrating clear leadership commitment, accountability, and visible ownership of health and safety performance.

Management approach and system effectiveness

VAT operates a globally consistent occupational health and safety management system, certified to ISO 45001, which applies across all manufacturing sites in Switzerland, Malaysia, and Romania, as well as across service centers globally. The system provides a structured framework to systematically manage occupational health and safety risks and support prevention, compliance, and continuous improvement across the organization.

The management system establishes clear requirements for risk control, performance monitoring, and corrective action, while enabling consistent application across sites with differing operational contexts. Its design ensures that health and safety considerations are embedded into operational planning and execution rather than managed as standalone activities.

The results for 2025 confirm that VAT's occupational health and safety management system is stable, mature, and effective, translating defined requirements and preventive controls into consistent risk reduction and sustained performance improvement rather than isolated or short-term interventions.

Hazard identification, risk assessment, and preventive controls

As a global manufacturing company, VAT recognizes that occupational health and safety risks are inherent to its operations and may affect employees, business continuity, and regulatory compliance. Beyond meeting legal requirements, VAT applies a structured and systematic risk management approach to proactively identify, assess, and control risks, with a strong focus on prevention and continuous improvement.

Occupational health and safety risks are identified and assessed on both a routine and non-routine basis, including during changes to equipment, processes, layouts, and operating conditions, as well as in preparation for potential emergency situations. Risk assessments are reviewed and updated whenever changes occur. Preventive measures are implemented in accordance with the hierarchy of controls, prioritizing hazard elimination and engineering solutions.

In 2025, proactive risk identification and early intervention were strengthened through leadership-driven and employee-led programs, including routine workplace inspections by site EHS teams, Gemba walks and visible safety leadership engagements (1,190 safety walks in 2025), employee-driven safety observations, near-miss reporting, as well as a robust management of change (MOC) process for new or modified equipment, processes, and layouts.

High reporting levels supported early risk detection. Unsafe condition reports (996 cases) reflected strong employee engagement, while unsafe act reporting increased to 520 cases (+149% vs. 2024), indicating improved behavioral visibility and trust in reporting mechanisms.

Findings from risk assessments and near-miss analyses were translated into targeted improvements in engineering controls, operating procedures, training programs, and site-specific preventive measures. These actions contributed directly to the reduction in accident frequency and severity achieved in 2025.

Risk identification and assessment activities are conducted by competent health and safety professionals registered with local authorities and supported by continuous competent development. Open communication is actively encouraged across the organization.

At the company-wide level, the global EHS function coordinates a structured incident prevention and mitigation plan aligned with ISO 45001 and recognized best practices. Its effectiveness is demonstrated by a reduction in the LTA (lost time accident) rate to 5 per 1,000 FTE and LTIFR (lost time injury frequency rate) to 2.5 per million hours (–64% vs. 2024).

Incident management and corrective action

VAT operates a robust incident management and investigation framework aligned with ISO 45001. All incidents, including injuries, medical treatment cases, first aid cases, and near-miss events, are investigated using root cause and corrective action (RCCA) methodologies. In 2025, RCCA was applied consistently to all injuries and near-miss cases, exceeding typical industry practice. The investigation process includes immediate notification, assessment, interviews, hazard identification, and risk evaluation, followed by corrective actions aligned with the hierarchy of controls. Lessons learned are systematically integrated into engineering improvements, revised operating procedures, and targeted training programs, ensuring that organizational learning is embedded into daily operations.

VAT maintains multiple reporting channels for employees and contractors, including QR-code-based digital platforms, intranet systems, direct reporting to supervisors, and verbal reporting. A strict zero-tolerance policy on retaliation is enforced, and employees are empowered to stop work where imminent risk is identified. In 2025 no work-related occupational illnesses were recorded.

Overall, the continued reduction in incident frequency and severity demonstrates that VAT's incident management process is systematic, effective, and prevention-focused, contributing directly to sustained improvement in safety performance while maintaining full compliance with applicable international, European, and local EHS regulations.

	2025	2024	2023
No. of fatalities	0	0	0
No. of lost time accidents	15	38	32
No. of days lost due to lost time accidents	308	560	517
Average no. of days lost per lost time accidents	21	15	16
LTA/1,000 FTEs (rate)[1]	4.9	12.9	13.4
LTIFR per 1,000,000 hours (rate)[2]	2.5	7.1	6.4
No. of cases of recordable work-related ill health	0	0	0
Data coverage (% of employees covered)	>95%	>95%	>95%

1 LTA: Lost Time Accident
2 LTIFR: Lost Time Injury Frequency Rate

Worker participation, consultation, and speaking-up culture

Employee participation is a core element of VAT's occupational health and safety management system and a key driver of effective risk prevention. Formal joint management-employee health and safety committees operate at the site level and meet regularly to review risks, safety performance, incidents, and proposed improvement actions. Employee input is actively prioritized in decision-making, reinforcing shared accountability for health and safety outcomes. In addition, VAT promotes an open speaking-up culture, encouraging employees and contractors to raise concerns, report hazards, and share safety observations without fear of retaliation. This inclusive approach strengthens trust, supports early risk identification, and contributes to sustained improvements in safety performance.

In 2025, employees submitted a record number of ideas through the portal of our continuous improvement program (CIP). Examples of ideas implemented in 2025 include improved chemical storage, enhanced recycling systems, better access to personal protective equipment (PPE), ethanol-handling training, and updated evacuation maps. In addition, the CIP tool was adjusted to facilitate the identification of sustainability-related ideas. Deeply rooted in VAT's culture, the success of the CIP reflects the great proactiveness of VAT employees and their high awareness of health, safety, and sustainability topics.

Training, competency, and safety leadership

In 2025, VAT delivered 56 structured EHS training sessions. They covered safety induction, job-specific risks, hazardous substances, emergency response, and safe equipment operation.

General safety training is mandatory for all employees upon joining the company and provides them with an overview of the most important safety principles and relevant contacts as well as information on PPE. This training is provided using video presentations or in a face-to-face classroom environment. All participants are required to pass a test at the conclusion of the training. Additional training in specific workstations in the production processes – such as milling, assembly, or vulcanizing – is provided by the respective supervisor. Specialized training, for example on the handling, storage, and disposal of chemical waste generated in the production process, is provided by the EHS teams. The training is conducted by EHS specialists or process owners.

Frequently used individual PPE, such as safety shoes, gloves, safety goggles, and hearing protection, is provided to the employees affected free of charge.

In addition to our EHS personnel, a significant portion of our production staff are trained by the company as first responders. The proportion of first responders is 9% on average at our manufacturing sites in Switzerland, Romania, and Malaysia. We ensure that work deployments are planned so that a first responder is present in every work area and for every shift, thus ensuring prompt on-site assistance in emergencies. All production sites have first aid equipment and first aid rooms. On-site clinics staffed by dedicated nurses operate in Malaysia and Romania.

Occupational health services and wellbeing

VAT implements preventive health measures, including medical surveillance and voluntary health programs. The company strives to ensure that its employees are not affected by work-related risks by carrying out regular medical check-ups such as eye and hearing examinations. Furthermore, VAT offers voluntary health services as part of its company benefits. At the manufacturing sites, vaccinations against influenza are made available to all employees during working hours. Voluntary health checks are also offered on a regular basis.

In relation to the employee assistance program (EAP) launched in 2022, in 2025 VAT continued its efforts to support employees in areas such as balancing the demands of work and family, dealing with stress, and identifying signs of burnout, anxiety, and depression. The EAP offers confidential, no-cost professional counseling to our employees and their dependents, 24/7. Expert counselors are available to help with everything from mental wellness to relationship challenges, budgeting, and legal advice. A total of 323 employees attended webinars providing information on the EAP in 2025. In parallel, a separate session on burnout took place in Switzerland to raise awareness of potential signs of burnout and ways to act to help oneself or another person at risk.

To build healthy habits and promote collaboration across the company, VAT also encourages its employees to engage in sporting events or join social clubs. In Switzerland, groups of employees have come together for the last 11 years to represent VAT at the Rhyathlon sporting event. In Malaysia, employees have established various social clubs offering a wide range of sports and leisure activities including badminton, football, table tennis, hiking, and yoga. In Romania, our new manufacturing site features a fully equipped gym with a state-of-the-art fitness center designed to cater to a wide range of preferences and fitness levels.

Hazardous chemical management

VAT has established specific processes and policies to ensure the safe handling, storage, use, and disposal of hazardous chemicals across its operations. These include clear requirements for chemical identification, risk assessment, proper storage and segregation, labelling in accordance with applicable regulations, and the availability of up-to-date safety data sheets. Engineering controls, approved containers, and designated storage areas are used to minimize exposure and prevent spills or incompatible storage. Employees who handle hazardous chemicals receive role-specific training, supported by appropriate personal protective equipment and emergency response arrangements. Compliance with these requirements is monitored through inspections and audits to ensure consistent implementation and continual improvement.

Safety of VAT products

In addition to ensuring the health, safety, and wellbeing of its employees, VAT also places great emphasis on the safety of its products. We design our products to be safe, reliable, and compliant throughout their entire life cycle. Accordingly, we follow all legal and international standards, update our processes as regulations change, and guarantee safety through structured risk assessments and testing.

Safety considerations are integrated early in product development – what we call “safety by design.” We implement structured hazard analyses, risk assessments, and documented testing procedures. Comprehensive safety instructions for customers are also systematically included with all products. After market launch, we monitor performance and handle incidents through an 8D process with root-cause analysis and solid corrective actions. The impact on customers and products is then assessed to fully understand potential risks. Based on this, corrective and preventive actions (CAPA) are implemented, followed by effectiveness checks. Insights gained are fed back into R&D, production, and supplier management. This ensures that incidents lead to lasting improvements in product safety.

Within the organization, the product compliance manager is accountable for enhancing product safety and ensuring that our products comply with relevant regulations, be they product-, market-, or country-specific. This function further supports VAT’s objective of cultivating trust and long-term relationships based on reliability and the wellbeing of end-users.

VAT also focuses on continuous improvement by providing regular training to employees on safety standards and regulatory requirements. In addition, we ensure that our product development team is supported by internal and external specialists if needed.

Our product safety objectives are in line with both safe product performance and long-term sustainability. Key goals include maintaining zero severe safety incidents, reducing product-related complaints, and continuously improving compliance. These measures strengthen overall product reliability and compliance, as well as contributing to our broader sustainability ambitions.

Outlook

Building on the sustained improvements achieved in 2025, VAT will continue to strengthen its global environmental, health, and safety (EHS) management system in 2026, with a clear focus on translating strategy into consistent, measurable risk reduction across all sites. The global EHS agenda 2026 is designed to consolidate existing strengths while delivering targeted improvements that support VAT's long-term ambition of zero accidents and zero work-related ill health.

Key priorities for 2026 include further developing safety leadership capability through global programs, strengthening global incident data intelligence to enable earlier trend detection and preventive action, and continuing the standardization and digitization of priority EHS processes. VAT will enhance process governance clarity, including end-to-end ownership, to ensure timely decision-making and effective closure of corrective actions. In addition, continued focus will be placed on the quality of leading indicators, safety culture maturity, and data integrity to support evidence-based prevention.

In the future, we also plan to strengthen product safety by introducing digital tools such as supported risk analysis. At the same time, we are expanding our material compliance efforts to eliminate hazardous substances. Post-market surveillance will be enhanced by means of automated data analytics, enabling faster and more proactive safety responses. Furthermore, we aim to achieve 100% participation in safety-relevant employee training. Together, these steps will further improve the safety and sustainability of our products.

Target	Current value	Status
Maintain accident rate below 10 by 2026[1]	4.9	On track
Set up ISO 45001 (Health and Safety) management system by 2025	Certification completed	Achieved

1 Accident severity is measured as lost time accident (LTA)/1,000 FTE

Human rights

At VAT, respecting the fundamental internationally recognized human rights as set forth in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work is quintessential to ethical business conduct and long-term success. We recognize that strong human rights practices are needed to foster trust, ensure compliance with evolving regulations, and maintain the resilience of our business and global supply chain. By integrating human rights considerations into our policies and business processes, we aim to protect our employees' rights and wellbeing and create an environment where people and businesses can thrive. General human rights training is mandatory for all employees upon joining the company.

Labor and Human Rights Policy

Our Labor and Human Rights Policy covers topics related to forced labor and freedom of employment, non-discrimination, freedom of association, prevention of underage labor and the protection of young workers, as well as working conditions and employee wellbeing. It is aligned with international laws and practices such as the United Nations Global Compact and the International Labor Organization (ILO). The policy was updated in 2025, in line with RBA standards, and applies to all VAT entities and employees. All VAT employees, including temporary, outsourced, and contract employees, are expected to follow the standards and guidelines laid out in the human rights policy, regardless of their location or role within the company. They are also expected to uphold labor and human rights in all business relationships,

including dealings with suppliers, subcontractors, customers, and other partners. Additionally, all VAT entities are responsible for ensuring that their management of suppliers, service providers, and subcontractors complies with the requirements defined in this procedure. The Labor and Human Rights Policy is available at www.vatgroup.com/sustainability.

Taking responsibility

As a global provider of vacuum solutions for advanced industries, VAT operates manufacturing facilities at three sites and a complex global supply chain with tiered suppliers providing raw materials, components, and services to our facilities worldwide. VAT complies with all applicable labor and human rights laws wherever it operates, conducts its business with integrity, transparency, and accountability, and expects its suppliers, contractors, and business partners to meet the same standards outlined in this policy. Taking responsibility for all the people impacted by the actions of our business is therefore a challenging yet important aspect of our sustainability ambition.

Our approach is guided by internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the RBA Code of Conduct, which VAT integrated as part of its own code of conduct in 2018. Our manufacturing facilities are regularly audited to ensure compliance with human rights standards and our human rights policy, and an anonymous reporting tool for any compliance concerns is available to all stakeholders to facilitate identification and reporting of potential cases.

Responsible Business Alliance

To further strengthen our commitment to responsible business, in 2024 VAT joined the Responsible Business Alliance (RBA). In 2025, this membership continued to support us with access to specialized tools and resources that facilitate our oversight of our own facilities and suppliers in terms of social responsibility, environmental performance, and ethical business practices. VAT's supplier code of conduct requires suppliers to comply with the RBA Code of Conduct as the minimum requirement. As an RBA member, we also promote responsibility at all stakeholders along our supply chain.

Outlook

VAT has implemented multiple channels for raising concerns on human rights. Employees can choose to discuss their concerns directly with their manager or local legal and compliance contact for assistance. Support is also available from Human Resources or Internal Audit. External individuals or VAT employees who wish to maintain anonymity or feel uneasy contacting any of the parties mentioned can use VAT's compliance hotline, which can be accessed at www.vatgroup.com/sustainability. In 2026 we will strengthen the integration of human rights into VAT's processes by conducting an RBA audit of our sites in Switzerland and Malaysia.

Target	Current value	Status
Conduct human rights risk assessment at all VAT manufacturing sites	Ongoing	On track
Train at least 95% of employees on human rights	100%	Achieved

Workers in the supply chain

Supply chain policies

VAT's commitment to respecting and promoting human rights and labor standards is underpinned by our code of conduct in conjunction with our supplier code of conduct. These policies clearly set forth our expectations of every individual who works for VAT or engages with us as a business partner or through our supply chain.

VAT has in place a supplier code of conduct (SCoC) to ensure ethical and responsible business practices throughout its supply chain. The code describes VAT's requirement that its suppliers operate in an ethical and responsible manner in line with VAT's values and commitments and the RBA Code of Conduct. The SCoC covers areas such as ethical conduct, labor practices such as human rights protection and prohibition of child labor, and compliance with applicable laws and regulations. It also outlines VAT's expectations in terms of environmental responsibility, such as reducing emissions, conserving resources, and minimizing waste throughout the supply chain. In addition, the SCoC sets clear standards for safe working conditions and respectful treatment of all employees, with zero tolerance for discrimination, harassment, or exploitation. On the governance side, it highlights the importance of fair business practices, anti-corruption measures, responsible handling of confidential information, and compliance with trade and data protection laws. Suppliers are expected to follow these standards themselves and ensure that their entire supply chain does the same. By the end of 2025, 89% of our suppliers globally by spend had acknowledged it.

Share of suppliers that have signed VAT's supplier code of conduct

	2025	2024	2023
Based on spend	89%	73%	79%
Based on number of suppliers	58%	51%	n/a

Responsible sourcing

Due diligence
We apply a risk-based approach to human rights due diligence, addressing the most salient risks as a priority and placing rightsholders at the core. We are committed to increasing transparency in our supply chain and proactively identifying social, environmental, and compliance risks. We support our suppliers in adopting responsible practices through awareness-building and training; we monitor their performance and ensure that necessary corrective actions are taken to effectively remediate any harm.

Based on our preliminary risk assessment, the most salient potential human rights risks in our supply chain are related to workers' health and safety, working hours and wages, and conditions affecting migrant workers in particular, such as forced labor, recruitment fees, and inadequate living conditions. The people involved in our supply chain in Southeast Asia are most at risk of being affected.

As in the previous year, in 2025, VAT conducted the checks on its supply chain in accordance with the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO) to determine the applicability of due diligence and reporting obligations. The results are presented in the following.

Child labor

VAT's supplier code of conduct (SCoC) prohibits child labor and other fundamental human rights violations, requiring suppliers to have adequate systems in place to ensure compliance. We monitor this through regular supplier audits. To date, no evident cases and no suspicion of child labor have been identified in VAT's supply chain, reported through our publicly available compliance hotline or brought to our attention in any other form. Most of VAT's direct suppliers operate in countries with a low risk of child labor according to UNICEF's Children's Rights in the Workplace Index, but we have a growing number of suppliers in Asian countries where the risk is more elevated.

Potential risks of child labor therefore remain, particularly in electronics supply chains where we have limited visibility and control beyond tier 1. To address these challenges, we continuously work to improve traceability and transparency to mitigate any adverse impacts across our supply chain. We also recognize that risk levels and locations can shift over time owing, for example, to geopolitical developments, conflicts, and increasing climate-related impacts. We therefore conduct ongoing assessments to stay ahead of emerging challenges. The largest portion of spend in a country with a heightened risk of child labor is in Malaysia, where the risk is associated with our local business presence. Consequently, we strive to track the social performance of our suppliers particularly closely by conducting RBA VAP audits and by means of local supply chain measures.

Country	Share of spend 2025	RBA: Child Labor risk	UNICEF: Children's Rights in the Workplace Index
Malaysia	15.82%	High	Enhanced
Singapore	4.59%	Medium	Enhanced
United States	2.71%	High	Enhanced
Sri Lanka	1.28%	Medium	Enhanced
China	0.73%	Extreme	Enhanced
Turkey	0.92%	Medium	Enhanced
Thailand	0.23%	Medium	Enhanced
Vietnam	0.03%	Extreme	Enhanced
Total spend in enhanced risk countries	**26.3%**		
Total spend in low-risk countries	**73.7%**		

Conflict minerals

VAT has a publicly available conflict minerals policy and expects suppliers to comply with responsible sourcing practices under its supplier code of conduct.

VAT is committed to responsible sourcing and ensuring that minerals used in our products are sourced ethically and in line with international best practices. Although VAT does not import or process 3TG minerals – tantalum, tin, tungsten, or gold – listed under the Swiss DDTrO and is therefore not subject to the ordinance's reporting or due diligence obligations, we recognize the importance of transparency and accountability within our supply chain.

To uphold responsible sourcing standards, VAT conducts ongoing minerals due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. VAT conducts due diligence through supplier surveys using templates provided by the Responsible Minerals Initiative (RMI). These surveys aim to gather information on the presence of conflict minerals in the supply chain and identify

smelters or refiners associated with these minerals. To address the challenge of compiling accurate information, we rely on third-party audits through the Responsible Minerals Initiative to enhance transparency and verify responsible sourcing practices.

VAT has been a member of the RMI since 2024. Through this collaboration, we gain access to specialized tools, data, and best practices, enabling us to evaluate and mitigate mineral sourcing risks more effectively. By leveraging the RMI's expertise and resources, we aim to further enhance due diligence efforts, improve supplier engagement, and drive positive changes across our supply chain.

Supplier audits and assessments
We monitor the performance of our suppliers, focusing particularly on health and safety, human rights, labor practices, environmental management, and ethical business practices. In 2025, we conducted 13 audits on tier 1 suppliers in high-risk regions, following the Responsible Business Alliance's Validated Assessment Program 8.0 (VAP) standard. These audits are conducted by an independent RBA approved agency at VAT's expense. Suppliers are selected for these audits based on their RBA self-assessment risk ratings. In 2025, applying a risk-based human rights due diligence approach, over 90% of direct material suppliers (by spend) in Asia and our onsite service providers for VAT Malaysia completed the RBA self-assessment. In addition, our EHS team audited two hazardous waste management service providers, one in Malaysia and one in Switzerland.

The most salient non-conformances identified in the audits include excessive working hours, gaps in occupational health and safety practices, or other violations of the RBA VAP standard. Consistent with the RBA Code of Conduct and the UN Guiding Principles on Business and Human Rights, we work closely with suppliers to remediate identified issues. This includes requiring corrective action plans jointly agreed between VAT and suppliers, with defined closure timelines, monitoring implementation, promoting responsible recruitment practices, and ensuring that workers do not bear the costs of securing employment.

We also support our suppliers by providing targeted support and training when needed, to enable suppliers to improve while maintaining their business relationship with VAT. However, if the supplier is not taking adequate action to correct any priority or major findings, VAT reserves the right to terminate the business relationship with the supplier as the last resort of action. No business relationships were terminated as a result of assessments in 2025.

Involving local suppliers

VAT supports local communities and economies by conducting business with local suppliers whenever possible. By sourcing goods and services from nearby businesses, we contribute to the economic growth and resilience of the regions where we operate and reduce transportation-related climate emissions.

We aim to create opportunities for mutual growth and shared success with our suppliers and cultivate long-term partnerships. We believe that strong, lasting relationships lead to greater trust, improved collaboration, and increased innovation, ultimately enhancing supply chain efficiency and reducing costs. From an ethical procurement perspective, maintaining close relationships with our suppliers enables us to drive positive changes, uphold responsible business practices, and promote sustainability throughout our supply network.

	Switzerland [1]	Malaysia	Romania
Percentage of the procurement budget spent on local suppliers [2]	70%	47%	12%

1 Procurement budget for significant locations of operations based on value creation (CH, RO, MY)
2 Switzerland's share of local procurement: spending destined for VAT's manufacturing site in Malaysia is excluded from the total spend in the calculation of the local share of spend

Outlook

Our ambition is that zero human rights violations occur at VAT, and that human and labor rights are respected and monitored in our supply chain. VAT thus strives to identify, prevent, mitigate, or stop adverse human rights impacts throughout its organization. We also aim to make sure that the same ethical standards that we apply to our own business are met by our suppliers.

In 2026, we will continue to apply our risk-based due diligence approach to strengthen our supply chain, ensuring alignment with our expectations and strategic priorities, while contributing positively to people and society and minimizing adverse impacts on the environment.

Target	Current value	Status
Conduct supply chain RBA assessment with 80% of suppliers (by spend) in 2025	90%	Remains
At least 90% of suppliers have signed VAT's supplier code of conduct by 2025, and 100% by 2026	89%	Remains

Inclusive workplace

Inclusion is one of VAT's key sustainability focus areas. For us as a company it means fostering a diverse workforce that brings together the best of multiple generations, cultures, genders, skillsets, and perspectives. Embracing diversity enhances our reputation as an employer of choice and enables us to harness the benefits of varied backgrounds, experiences, and viewpoints to increase innovation and improve decision-making. We see significant opportunities for VAT in the fact that diversity in the workforce can lead to new perspectives and ideas for company structures, processes, products, and services, which in turn lead to higher productivity and revenue. It also strengthens relationships with customers, suppliers, local communities, and other partners who share our values and prioritize diversity and inclusion in their own practices. VAT is therefore committed to fostering an inclusive workplace where all employees have equal opportunities for advancement so they can grow and realize their potential.

Our employees

True to our ambition of making VAT the preferred employer for employees of all genders, cultures, skills, and perspectives, we are proud to have 23% of women among our new hires in 2025. While the number is lower than in 2024 (28%), we remain committed to this target and we are on track to meet the stated goal of 24% by 2027 and 25% by 2030. The targets thus remain unchanged. In 2025, the share of women in leadership positions increased to 16% (2024: 14%), and we hold true to the ambition of a 25% share, knowing that this will be challenging to achieve.
Beyond gender diversity, the company also has a cultural richness, with people of more than 50 nationalities working in the VAT family. The top four nationalities represented within VAT's workforce are Malaysian (29.6%), Swiss (13.7%), Austrian (12.7%), and Romanian (12.0%).

At the end of 2025, VAT employed close to 3,250 people on a full-time equivalent (FTE) basis, including direct full-time, part-time, and fixed-term employees[1]. Switzerland, Malaysia, and Romania account for around 90% of total employees. To increase flexibility and adapt the business to the cyclical nature of the semiconductor industry, in 2025 up to 10% of the people employed by VAT were temporary workers from local agencies with whom we have longstanding business relationships. Furthermore, VAT offers several fixed-term positions such as internships that give young talents the opportunity to get insights into our business, learn on the job, and possibly join the company on a permanent basis.

1 We define fixed-term employees as employees with a fixed-term contract, such as internships. Part-time employees have a permanent or indefinite contract directly with VAT but work fewer hours than the typical full-time position. Workers whose place of work is VAT but whose employer is not VAT (referred to as temporary workers) are not included in VAT's headcount. They are employed, for example, by temporary staffing agencies, which handle their employment contracts and remuneration.

Employees by country[1]

	Full-time employees	Part-time employees	Fixed-term employees
Europe	1,712	134	52
of whom in Switzerland	1,323	132	52
of whom in Romania	367	0	0
Asia	1,165	0	25
of whom in Malaysia	938	0	20
Rest of the world	72	0	0
Subtotals	**2,949**	**134**	**77**
Total full-time and part-time employees 2025	**3'083**		
Total full-time and part-time employees 2024	**2'949**		

Representation of women on the Board of Directors

	2025	2024	2023
Women	3	2	3
Men	6	6	5
Total	**9**	**8**	**8**

At the annual general meeting on 29 April 2025, 2 new board members, one man and one woman, were elected. With this new composition, three of the nine members are women, in line with our self-imposed ambition of >30% women on the Board of Directors.

Diversity of employee body

	Executive Board		Senior management		Management		Professional		Employee		Internship		Apprentice-ship	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Europe	0	9	4	20	17	81	132	557	204	830	1	9	6	28
of whom in Switzerland	0	9	4	19	14	75	73	479	145	645	1	9	6	28
of whom in Romania	0	0	0	1	3	6	57	66	53	181	0	0	0	0
Asia	0	1	0	3	8	35	75	169	184	693	1	3	2	16
of whom in Malaysia	0	1	0	0	5	17	58	98	141	618	1	3	1	15
Rest of the world	0	1	0	0	1	8	5	33	11	13	0	0	0	0
Subtotals	**0**	**11**	**4**	**23**	**26**	**124**	**212**	**759**	**399**	**1,536**	**2**	**12**	**8**	**44**
Percentage of women	**0%**		**15%**		**17%**		**22%**		**21%**		**14%**		**15%**	
Total employees	**3'160**													
of whom women	**21%**													
Total employees in mgmt. positions	**188**													
of whom women	**16%**													

1 The numbers are shown as of year end 2025. Therefore, for part-time employees and temporary staff a higher number of employees during the year may have been employed at VAT.

New employee hires and employee turnover

Employee turnover in 2025 was stable at 11% compared with the previous year, a fact that we believe can be attributed both to our competitive training and employee development programs and efforts to create positive work environments for all our people. This favorable development also puts VAT in a strong position to tap the potential of its employees and build on the competitiveness of its teams. Turnover rates vary across our sites, ranging from 8% to 19%, reflecting differences in local labor markets and site-specific workforce dynamics. VAT's voluntary turnover is at 6%, thus corroborating our efforts to maintain good, long-term working relationships with our employees.

VAT ensures fair and responsible offboarding practices, such as outplacement support and compliance with notice periods. In specific cases such as retirement, VAT provides dedicated coaching and guidance.

Employee turnover by age group, gender, and region

			Age group		Gender
	<30	30-50	>50	Male	Female
Europe	59	87	39	141	44
of whom in Switzerland	35	52	25	89	23
of whom in Romania	24	31	12	48	19
Asia	74	64	12	112	38
of whom in Malaysia	72	51	4	92	35
Rest of the world	0	3	2	5	0
Subtotals	**133**	**154**	**53**	**258**	**82**
Total turnover	**340**				
In % of total employees	**11.3%**				

New hires by age group, gender, and region

			Age group		Gender
	<30	30-50	>50	Male	Female
Europe	119	184	22	257	68
of whom in Switzerland	85	126	13	185	39
of whom in Romania	34	54	9	69	28
Asia	142	114	8	197	67
of whom in Malaysia	134	85	4	163	60
Rest of the world	0	6	3	7	2
Subtotals	**261**	**304**	**33**	**461**	**137**
Total new hires	**598**				
of whom women	**23%**				

Promoting an engaged and high-performing workforce

VAT's personnel administration supports employees with low-effort processes in areas such as working time, salary, insurance, etc., to ensure that all people at VAT can perform at their highest level.

In addition, VAT also has a wide range of initiatives in place to further promote employee engagement and develop women in our workforce.

Employee engagement survey (EES)
One important way we evaluate our efforts to create a positive working environment is through the company's employee engagement survey (EES), based on Gallup. Since 2017, VAT has conducted an annual survey together with an external consultancy to measure how well the interests of employees align with those of the company. The survey seeks employee input on issues ranging from how they view the company's strategy and their role in achieving VAT's goals to management's effectiveness at communicating those goals and whether people feel recognized for the work they do. Line managers are given training in how to build employee engagement and are required to report regularly on what measures they have taken in this area. The EES is an important tool for establishing a dialogue with one of the company's most important stakeholder groups. In 2025, we saw a record participation rate of 96% of employees who participated in the survey; at 4.04 out of 5, the engagement score was slightly above the score achieved in 2024 (4.02) and close to the record of 4.09 in 2023.

Besides the regular employee survey, VAT engages in communicating with its employees through targeted information, events, and personnel and social advice. Furthermore, VAT monitors and transparently discloses staff turnover (see page 46 of this report) to be able to identify adverse developments early on.

eleVATe network
eleVATe was set up in 2023 as VAT's first employee resource group (ERG) for women, aligned with VAT's passions of *integrity* and *teamwork*. In 2025, eleVATe continued to offer quarterly gatherings, workshops, and celebrations of Women in Engineering and International Women's Day.

Inclusive hiring training
To attract more diverse talents, VAT partners with universities, allowing us to increase female participation in the intern program and successful conversion to permanent roles. In 2024, VAT had launched global e-learning series on inclusive hiring. In Malaysia, behavioral interview training was introduced to enhance hiring skills, address biases, and promote fair hiring decisions. These initiatives continued in 2025 as we further embedded inclusive hiring practices across the organization.

Lean-in circle
VAT established a lean-in circle for female employees in Malaysia to provide peer mentorship, encourage skill-building opportunities, and create a space for women to share their experiences and get advice. From its launch date, the program has supported a total of 30 female employees in the coaching sessions.

Our commitment to equal pay
VAT Switzerland renewed its Fair-ON-Pay+ certificate in early 2025, recognizing the company's commitment to ensuring equal pay for men and women for equal work, as required by the Swiss Gender Equality Act. The certification and maintenance review includes a thorough assessment of our compensation policies and an analysis of the pay gaps between employees. Fair-ON-Pay

is based on the Logib analysis methodology, which has been recognized as best practice by the Equal Pay International Coalition. Based on a statistical analysis, the gender pay gap is within the demanding statistical threshold of 2.5% and complies with the “advanced” requirements regarding structure and confidence interval. VAT Romania has also conducted a pay gap analysis that has not revealed any gender pay gap. The results show that VAT has continued to prioritize fair compensation practices and has applied scrutiny in the areas of pay transparency and pay equity.

Outlook

Our ambition is to make VAT the preferred employer for employees of all genders, cultures, skills, and perspectives. VAT fosters a diverse workforce that brings together the best of multiple generations, cultures, genders, skillsets, and perspectives for VAT. To attract female talent, we are updating our hiring processes by implementing inclusive and behavioral hiring techniques, as well as offering flexible work policies. We also foster an inclusive workplace culture and support internal women’s networks. Building on our successful equal pay analysis, we plan to perform a similar type of analysis in Malaysia in 2026.

Target	Current value	Status
Increase the share of women among new hires to 24% by 2027 and 25% by 2030	23%	On track
Increase the share of women in leadership positions to 25% by 2027	16%	Under review

Impact on society

VAT not only defines itself through the outstanding quality of its products but also through the passions that are lived by its employees every day. In addition to offering employment, training and skills transfer, and fostering economic growth, VAT is deeply committed to making significant and lasting contributions to the communities in which it operates, as well as to society at large. True to its roots as a medium-sized Swiss company, VAT's ambition is to act as a good corporate citizen that takes responsibility and has a positive impact beyond the factory gates. This goes further than the processes for remediating the potential negative social impacts of our operations. The commitment is demonstrated in various initiatives that can be clustered into local education programs beyond VAT's own internal operations, various external social activities, and sponsorship. In 2025, VAT had more than 500 participants in events for social causes. The fact that employees from all the departments come together to engage in a good cause is clear evidence that the company lives up to its passions of *integrity* and *teamwork*.

VAT is also aware that its business can have negative societal impacts, especially when it comes to activities that take place in the up- and downstream supply chain. Such an impact may arise from raw material extraction and production of preliminary products, device manufacturing, and the end-of-life treatment of VAT's products. Negative societal impacts can be related to emissions such as dust or noise, water and air pollution, or conflicts surrounding the mining of metals with repercussions on local social structures. Such negative impacts also entail the risk of reputational damage or conflicts and protests that would disrupt operations. VAT therefore seeks to further strengthen the positive impacts on society while better understanding and ultimately mitigating the negative ones.

Promotion of science, technology, engineering, and mathematics (STEM) education

Supporting education in Malaysia
VAT particularly supports programs designed to help young people intending to go into the field of STEM. Since the apprentice training center's inception, VAT Malaysia has been widely promoting our apprenticeship program to the public. We have collaborated with the Penang Skills Development Center (PSDC) to sponsor local students exploring science- and technology-related career opportunities, providing hands-on experience and training at VAT facilities in Penang.
In all our activities we consistently cooperate with other companies around Penang, as well as authorities and schools, to present and foster multiple career pathways in the STEM industry, highlight current industry needs, and help schools guide their students into prosperous career pathways.

Future day Switzerland
In 2025, VAT participated in the National Future Day in Switzerland. Sixty-four girls and boys had the chance to explore fields of work and life areas regardless of their gender and personal background. By participating in the National Future Day, we encourage girls to consider a technical profession, thus promoting early gender equality in career choices and life planning. At the same time, we foster the positive and strong relationship we have as a company with our employees and their families.

International Women in Engineering Day (INWED)
In 2025, VAT celebrated International Women in Engineering Day (INWED) to advocate for diversity in engineering and inspire more women to pursue STEM education and careers. In Switzerland, a gathering was organized with young female talents, who shared their stories and insights. In Romania, colleagues got together for an inspirational dinner roundtable to exchange how to support women in engineering.

Sponsoring Arbotix
VAT Romania is proud to sponsor Arbotix, a local high school robotics team that achieved an outstanding milestone at the Winter Tech League Meet in 2025. The team set a new global benchmark, which represents a true testament to passion, ambition, and hard work. By supporting initiatives like Arbotix, we encourage creativity, performance, and the next generation of innovators who will shape the future.

Mobility concept

As a part of our ongoing commitment to employees, the environment, and society, in 2025 we introduced a new mobility concept at our site in Haag, Switzerland. This initiative, which we implemented together with the canton of St. Gallen, reflects our responsibility to provide sustainable and convenient commuting options in line with the continued growth of our site. The expansion of VAT's site in Haag has led to increased demand for improved public transportation connections. To address this, a new bus line was launched in August 2025 as part of the mobility concept. By stopping directly in front of VAT's Innovation Center, it significantly improves accessibility and convenience for our employees and wider communities. Beyond improving connectivity, the mobility concept aims to encourage environmentally conscious commuting choices. By supporting sustainable travel options, we seek to reduce our ecological footprint while delivering tangible benefits to our workforce.

Social activities and sponsoring

Our sponsorship activities and four sponsorship topics – education, sports, culture, and community – align with and support our ambition of empowering others. In several cases, initiatives have been suggested by our employees, which makes the exercise particularly valuable as it not only gives us the opportunity to engage with society but also strengthens ties with our staff.

Support for education and healthcare NGOs
In 2025, VAT engaged colleagues across the globe in a step challenge to promote a healthier and more active lifestyle. This initiative combined activity with meaning, as every step taken helped support the Caritas Children into School initiative. Caritas' program helps children and young people in developing countries access education and build a secure future. By making this contribution, VAT helps to ensure that more children have the opportunity to grow, learn, and pursue their dreams.
VAT also carried out awareness campaigns, namely Breast Cancer Awareness Month and Movember. In Romania, for example, VAT colleagues organized a fair where they baked cakes and created handmade items to sell, thereby raising funds as part of the Breast Cancer Awareness Month Initiative.

Local initiatives with a positive impact
In addition to global activities, VAT remains active in local initiatives that directly benefit surrounding communities. For example, VAT sponsors RHYBOOT, an organization that creates supportive living and working environments for adults with cognitive and physical disabilities. This sponsorship reflects VAT's commitment to empowering people, fostering inclusion and long-term community development. In Romania, we joined a charitable initiative organized by the Angels for Souls Association, where our colleagues contributed sweets, clothing, and toys for children and elderly people from vulnerable communities. VAT employees also contributed financially to support the "by giving, you will receive" project. Thanks to their generosity, more than 150 individuals were helped with over three metric tons of essential food items, clothing, and toys.

Promoting culture and sports
VAT is aware that as part of its corporate citizenship, it is important to enable both a lively local culture and sporting events, especially activities that enable young talents to grow. Sports play an important role in this endeavor by bringing people together, inspiring young talent, and promoting health and wellbeing. With this in mind, we are proud to continue our sponsorship of the Swiss-Ski biathlon national team and World Cup athlete Amy Baserga, whose dedication and resilience embody the spirit of continuous improvement that we value. Our collaboration with Swiss-Ski reflects our commitment to supporting Swiss winter sports and the athletes who drive its future.
Looking ahead, we are also excited to deepen our engagement in the sporting world as co-sponsor and official marketing partner of Hockey Club Davos (HCD). Recognizing that the health and wellbeing of the society we operate in depends largely on volunteers in sports clubs, we continue to support sports events such as the inter-company badminton tournament in Penang, in which our employees also participated.

In addition, VAT plays an active role in sponsoring the cultural life of our region. For example, we have been long-standing sponsors of the fabriggli theater in Buchs, and we are also supporting young musical talent from the Rhine Valley though the RhineTalents project.

Outlook

True to our ambition of making a positive impact on the society in which VAT operates, we continue to empower our employees to engage in social activities beyond their work. Our sponsorship policy allows targeted support of good causes that align with VAT passions. This enables us to promote positive societal effects through local engagement in the areas where VAT is present. We strive to continue our promotion of education to motivate young talents to pursue a career path in the field of STEM. We also plan to keep engaging in health, sport, and cultural initiatives.

Target	Current value	Status
By 2029, 30% of employees are taking part in a social activity organized or supported by VAT	23%[1]	On track

1 (718 out of 3,083)

Planet

Climate change

The accelerating impacts of climate change, such as rising temperatures, severe weather events, and resource scarcity, don't just pose challenges to the environment and society. They also come with increasing business risks. VAT thus acknowledges the imperative to combat climate change by curtailing its emissions. By significantly decreasing its GHG emissions across Scopes 1, 2, and 3, VAT aims to mitigate its impact on climate change, contribute to global efforts to reduce carbon emissions, and safeguard the environment for future generations. This aligns with international climate agreements and regulatory frameworks, as well as positioning our company as a responsible and forward-thinking leader in its industry.

In 2025, VAT updated its Corporate Environmental Policy to better reflect its ambitions of minimizing its impact on the environment. The policy includes our commitment to address risks associated with our operations, to support the development of future technologies in the areas of environmental engineering, and to reduce our GHG emissions across all scopes.

Emission reduction requires long-term planning and ongoing infrastructure upgrades and investments. In 2024, VAT committed to the Science Based Target initiative (SBTi), submitting its targets for validation at the end of 2025. These targets are backed by a thorough transition plan, which includes all steps in VAT's value chain, tackling emission hotspots through specific measures.

By proactively considering regulatory requirements and developments as part of its growth strategy, VAT can incorporate them into the design of new products and production sites, thereby mitigating risks.

Governance

In line with the governance structure outlined in the Sustainability governance of this report, the Sustainability Committee of the Board of Directors is responsible for the overall steering of VAT's actions related to climate change. At group level, the sustainability team is responsible for tracking KPIs, setting targets, and supervising overarching projects related to emissions reduction, especially Scopes 1 and 2. It does this in direct cooperation with the CFO, who is the owner of the topic on the Group Executive Committee (GEC). VAT's sustainability supply chain manager (SSCM) leads Scope 3 upstream emission reductions and runs related supplier engagement, while dedicated resources and project teams in our operations and business unit departments plan and execute measures to reduce emissions in their respective areas of responsibility. In line with the strategic importance of the topic, executive management's variable pay is tied to these emission reduction objectives.

Risks and opportunities

Switching to renewable energy to reduce greenhouse gas emissions can reduce operating costs in the long term, as it can be assumed that renewables will be cheaper in the future compared with fossil energy sources.

Moreover, downstream companies are increasingly introducing ambitious emission reduction targets. A low carbon footprint and robust action plans to reduce emissions can create advantages over direct competitors and thus lead to greater market share, as potential customers are expected to use greenhouse gas reduction measures as a weighted criterion for establishing or expanding business relationships.

Companies with ambitious targets and a clear strategy for reducing their emissions may also have an advantage over their direct competitors when recruiting specialists, as it can be assumed that their own carbon footprint and that of their employer will become an increasingly important criterion for employees.

Green energy is also creating new opportunities for our business. The shift to an economy that is less dependent on fossil fuels will trigger a large-scale economic transformation requiring substantial investments in net-zero technologies and clean energy industries. With VAT's products contributing to the creation of emission-reducing technologies such as solar photovoltaic, solar thermal technologies, nuclear power, and smart grids, VAT stands to benefit from this trend through the growth of its related business segments.

For more information on climate-related risks and opportunities and a detailed assessment in line with the Swiss Climate Ordinance, see pages 88 to 93.

Greenhouse gas emissions

To calculate its greenhouse gas (GHG) emissions, VAT followed a comprehensive methodology in line with the Greenhouse Gas Protocol, based on verifiable data gathered from various emission sources at each site. We applied specific emission factors, provided either by direct sources (electricity providers) or by recognized standards and guidelines, to convert the collected data into CO_2-equivalent (CO_2e) emissions. By meticulously following this methodology, the company obtained an accurate assessment of its GHG emissions, enabling it to track its environmental impact and make informed decisions when devising emissions reduction strategies.

In 2025, VAT enhanced the calculation of its full GHG inventory across all scopes, building on the first comprehensive calculation in 2024 and working closely with internal and external stakeholders to increase the accuracy of the data used. Cases where these additional understandings have led to an update of the previous year's emission numbers are clearly mentioned in the tables below. Thanks to this approach, we are confident that we have an even more solid foundation for continuing our efforts to reduce GHG emissions.

Total Scope 1, 2, and 3 GHG emissions

In tonnes of CO_2e	2025	2024	2023
Scope 1	1,622	1,476 [1]	1,061
Scope 2 (market-based)	850	1,106	6,351
Scope 3	384,341	458,815 [2]	375,973 [2]
Total Scope 1, 2 and 3 GHG emissions	**386,813**	**461,397**	**383,384**

1 Scope 1 published value in 2024 was 1,449, calculation corrected to reflect improved data availability.
2 Scope 3 published values in 2024 and 2023 were 451,553 and 369,895, calculations corrected and methodology adjusted.

Emission intensity

In tonnes of CO_2e/net sales in CHF million	2025	2024	2023
Net sales	1,073.5	942.2	885.3
Scope 1 and 2 emissions (market-based) intensity	2.30	2.74	8.37
Total GHG emission intensity (Scopes 1, 2, and 3)	**360.32**	**489.70**	**433.06**

In tonnes of CO_2e/order intake in CHF million	2025	2024	2023
Order intake	1,033.0	1,033.3	691.9
Scope 1 and 2 (market based) intensity	2.39	2.50	10.71
Total GHG emission intensity (Scopes 1, 2, and 3)	**374.46**	**446.53**	**554.10**

Scopes 1 and 2

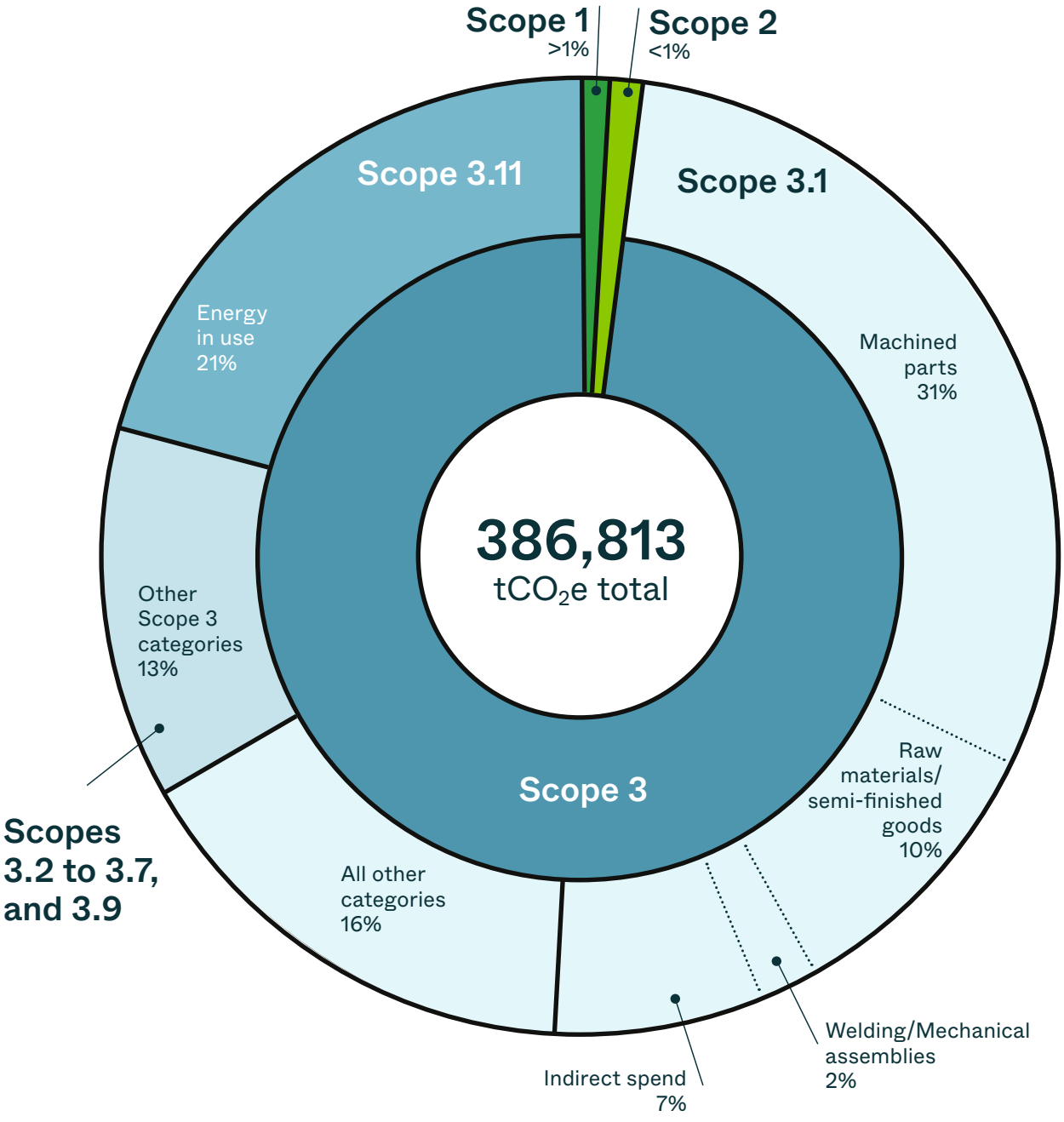
Scope 1: VAT considered direct emissions from sources it owns or controls. This includes factors such as the diesel and gasoline consumption of vehicles, oil and natural gas consumption for heating, as well as refrigerant usage and volatile organic compound (VOC) emissions. This input data, including fuel and consumption quantities, was used to determine the corresponding CO_2e emissions using appropriate emission factors and methodologies.

Scope 2: VAT used both location-based and market-based approaches. For location-based emissions, the company assessed the grid-average emission factor for the respective geographical region of its operations. In addition, incorporated market-based emissions were calculated by considering the specific electricity mix procured, including renewable energy certificates, or by entering into specific power purchase agreements to offset the emissions associated with purchased electricity. Supplier-specific emission factors were used where available. By utilizing both location-based and market-based approaches, the company gains a comprehensive understanding of its Scope 2 emissions and can effectively address its indirect environmental impact.

Scope 1 emissions were at 2024 levels, with a slight increase due to higher use of refrigerants owing to the installation of new buildings. VAT was able to reduce Scope 2 emissions particularly by further increasing the share of renewable energy in Romania. This means that VAT now sources 98% of its electricity from renewable sources, through either guarantees of origin (Switzerland and Romania), renewable energy certificates (Malaysia) or the company's own produced photovoltaic installations (all sites). More details of VAT's energy mix can be found on pages 62 to 64.

Overview of VAT's GHG emission hotspots

Scope 1-3 emissions 2025
Based on GHG Protocol



Scope 1 emissions per energy source

In tonnes of CO_2e	2025	2024	2023
Scope 1 – Stationary combustion (heating)	1,023	1,063	680
Scope 1 – Mobile combustion (vehicles)	177	193	187
Scope 1 – Fugitive emissions (refrigerants and VOCs)	421	220	194
Total Scope 1 emissions	**1,622**	**1,476**	**1,061**

Scope 1 emissions per region

In tonnes of CO_2e	2025	2024	2023
Europe	1,127	1,197	825
thereof Switzerland	881	1,006	654
thereof Romania	209	134	114
Asia	481	264	224
thereof Malaysia	373	165	167
Rest of the world	14	15	11
Total GHG emissions	**1,622**	**1,476**	**1,061**

Scope 2 emissions (market-based) per region

In tonnes of CO_2e	2025	2024	2023
Europe	164	457	775
thereof Switzerland	1	0	0
thereof Romania	163	450	451
Asia	642	561	5,749
thereof Malaysia	0	0	5,225
Rest of the world	44	87	82
Total GHG emissions	**850**	**1,106**	**6,351**

Scope 2 emissions (location-based) per region

In tonnes of CO_2e	2025	2024	2023
Europe	1,347	1,324	1,266
thereof Switzerland	535	427	374
thereof Romania	811	891	886
Asia	13,414	15,192	8,903
thereof Malaysia	12,924	14,598	8,329
Rest of the world	118	130	127
Total GHG emissions	**14,879**	**16,646**	**10,296**

In 2025, significant projects were completed to reduce our footprint in line with our targets. At all sites, we inaugurated new buildings that include solar power installations, enabling them to meet the highest energy efficiency standards and thus contribute to both a reduction of energy per unit produced and a higher share of renewable energy.

Scope 3

VAT systematically identifies and calculates indirect emissions along the whole value chain. In 2025, we further enhanced the calculations in the purchased goods and services category (Scope 3, Cat. 1), using supplier-specific emission factors wherever possible, and included them in our comprehensive GHG inventory. Achieving this result required extensive cooperation on the part of VAT's suppliers. Furthermore, we were able to gain more detailed information about the categories within our spend-based emission calculations, providing the basis for a more detailed allocation of emission factors.

By identifying VAT's Scope 3 activities according to the GHG Protocol, the categories listed in the table below were identified as significant for VAT when calculating a complete GHG inventory and were therefore included in the Scope 3 boundaries. All other Scope 3 categories were identified as being outside the operational boundaries and therefore not included in the GHG inventory.

In tonnes of CO_2e	2025	2024	2023
Scope 3.1 Purchased goods and services	254,563	292,578	216,353
thereof direct spend	227,638	267,435	207,917
thereof weight-based	27,216	33,570	36,739
thereof indirect spend [1]	26,924	25,143	8,436
Scope 3.2 Capital goods	15,009	11,676	15,701
Scope 3.3 Fuel- and energy-related activities	4,554	5,116	3,324
Scope 3.4 Upstream transportation and distribution	17,582	16,826 [2]	14,699 [2]
Scope 3.5 Waste generated in operations	220	505	676
Scope 3.6 Business travel	2,035	2,689 [3]	1,580 [3]
Scope 3.7 Employee commuting	2,235	2,911	1,608
Scope 3.9 Downstream transportation and distribution	6,966	6,666 [2]	5,823 [2]
Scope 3.11 Use of sold products	81,178	119,849	116,208
Total Scope 3 GHG emissions	**384,341**	**458,815**	**375,973**

1 For indirect spend 2023 only Switzerland was considered, in 2024 and 2025 all locations were included.
2 Scope 3.4 and 3.9 were adjusted based on methodology corrections, to reflect updated allocation of upstream/downstream emissions.
3 Scope 3.6 was corrected to include business travel of all entities. Initially published values only included VAT Switzerland.

Purchased goods and services (Scope 3.1) were reduced, mostly thanks to two factors. Firstly, the aforementioned enhancement of allocation led to higher transparency in the allocation of emission factors. Secondly, a reduction in inventory by approximately 23% led to a lower volume of goods and services purchased in relation to sales and order entry, resulting in lower emissions. More details of development of inventories can be found in the Annual Report on page 119. Scopes 3.4, 3.9, and 3.11 developed in line with an increase in business activity. In logistics, we worked on optimizing routes and implementing more environmentally friendly transportation methods, such as e-trucks for milk runs to local suppliers in Switzerland, with the aim of reducing the emission intensity of logistics. Emissions from capital goods (Scope 3.2) increased as a result of the completion of the new buildings at all sites, while emissions from business travel (Scope 3.6) decreased owing to VAT's scrutiny in terms of reducing both the costs and the environmental impacts of travel.

As a result of these developments, the emission intensity across all scopes was significantly lower in 2025 than the previous year. Even though this development is only partially due to factors within our sphere of control, we aim to further reduce the emission per output unit.

VOC emissions

As a constituent of cleaning agents, VOC emissions are of particular concern owing to their contribution to air pollution and associated health risks. Responsibly managing these compounds is of paramount importance for worker safety and environmental integrity.
Reducing VOC emissions, including those stemming from ethanol usage, is therefore imperative to mitigate these risks and safeguard both human health and environmental quality. VAT is continuously working on reducing ethanol consumption and substituting VOC-based cleaning agents wherever possible. Since 2021, VAT has eliminated the use of acetone. In addition, our facilities are equipped with filtering, ventilation, and extraction systems at relevant workstations.

In 2025, VAT strove to improve data availability and accuracy by identifying all products that represent significant amounts of VOCs. This will enable us to manage the use of these materials even more thoroughly going forward.

Target	2025	2024	2023
Direct VOC emissions (in kg)	30,962[1]	20,917[2]	20,010
Data coverage (in %)	100%	100%	100%

1 The scope and accuracy of VOC calculations led to an increased amount.
2 2024 VOC amount was adjusted to reflect improvement in data accuracy and scope.

Outlook

In the medium term, VAT aims to significantly reduce its GHG emissions throughout the value chain in accordance with our SBTi commitment. We strive to reduce the adverse impact of our greenhouse gas emissions on the environment by actively tackling emission sources along the entire value chain. This includes close collaboration as part of our ongoing supplier engagement.

Target	Baseline	Current value	Status
Reduce Scope 1 and 2 emission by 50% by 2025 (versus 2022)	13,570	2,472 (- 81%)	Achieved
Reduce Scope 3 emissions in line with SBTi by 2033 (versus 2023)	375,973	SBTi targets submitted	On track

Water impact

Water is crucial for VAT, as our valves require high levels of purity and the manufacturing process relies on substantial quantities of freshwater for cleaning, rinsing, and cooling purposes, as well as for chemical reactions and wafer fabrication. The quality and availability of water directly impact the efficiency, reliability, and overall operability of semiconductor production.

Since water pollution is an ever-increasing problem in large parts of the world, changes in regulations related to water pollution result in increasing operating costs and capital expenditure to ensure compliance. Companies using hazardous substances in their manufacturing are especially affected. At the same time, societal expectations in terms of water conservation continue to grow stronger and customer demands are increasing. Last but not least, reducing water consumption can also be a competitive advantage in light of potential water shortages in the future.

Water-related challenges

While VAT does not produce in areas confronted with high water stress, according to the water risk atlas published by the World Resource Institute, water scarcity is an increasing problem worldwide. VAT therefore recognizes the crucial significance of water conservation, especially within the semiconductor industry, which traditionally consumes substantial amounts of water.

Original equipment manufacturers (OEMs) face increasing scrutiny of their extensive water consumption, as semiconductor fabrication requires significant quantities of water. While VAT's water consumption is minimal compared with semiconductor fabrication plants (fabs), the company faces similar pressure to reduce its water usage within the industry.

Globally, improper wastewater discharge often disrupts ecosystems, especially when local biodiversity and wastewater disposal infrastructure are not adequately considered. VAT ensures that discharged water meets or exceeds the required standards by using advanced wastewater treatment systems and through strict adherence to environmental regulations. To eliminate metal particles, water used for surface treatments in the production process is treated before being discharged. Indeed, heavy metals released during industrial processes represent a potential pollution source if not treated properly. In the case of hazardous substances in wastewater, they can be treated through precipitation, centrifugation, or vacuum evaporation.

Water assessment

In 2025 we conducted a water assessment to better understand the risks associated with water and our impact on freshwater resources. We followed guidelines from leading standards and organizations such as the Alliance for Water Stewardship, GRI 303 (Water and Effluents), and the RBA. We also used tools and resources provided by the World Resources Institute, UN Global Compact, and WWF.

Our approach consisted of mapping water use in our organization and value chain, before analyzing the risks per site and basin (as localized as possible, depending on data availability). In addition, we gathered information on best practices in our industry and the regions where we operate.

The results included an overview of reputational, physical, and regulatory risks. The overall water risk is low to medium in our production areas. However, relevant risks to our business relate, for example, to water quality and wastewater treatment. To mitigate these risks and act

responsibly, VAT ensures that hazardous substances (such as heavy metals) are appropriately treated using methods like precipitation, centrifugation, or vacuum evaporation, whether performed in-house, by specialized partners or through municipal facilities.

Regarding water stress, VAT has experienced few to no issues in withdrawing water, nor significant flooding, in the last five years. Nevertheless, we have installed closed-loop systems in Switzerland and Malaysia to repurpose water onsite and reduce our impact on water resources. In Malaysia, water is reclaimed through a filtration system and reused in cooling towers. Overall, the cleaning process represents the majority of water consumption. As most of our water consumption is based on the parts cleaning process, it is directly related to the factory output. The requirements for high purity are tightening, which means VAT requires more and more water for cleaning parts.

Water consumption
Water withdrawal increased in absolute terms in 2025, while water intensity declined. The rise in withdrawal is primarily driven by our Romanian site, where demand for water grew as a result of increased production, a larger workforce, and the temporary operation of two facilities during the relocation to a new site. In Malaysia, VAT continued to grow without increasing its water withdrawal, thanks to the efficiency measures and systems described below.

Water withdrawal

In m^3	2025	2024	2023
Switzerland (Haag) Third-party water (public water supplier)	43,277	36,183	31,406
Romania Third-party water (municipal water supplier)	13,799	6,708	4,193
Malaysia Third-party water (municipal water supplier)	111,773	115,325	72,308
Total water withdrawal	**168,849**	**158,216**	**107,907**
Data coverage (as % of employees covered)	>95%	>95%	>95%

Water efficiency

	2025	2024	2023
Revenue (CHF million)	1,073.5	942.2	885.3
Water withdrawal (m^3)/revenue (CHF million)	157.3	167.9	121.9

Water discharge

In m^3	2025	2024	2023
Switzerland (Haag)	36,022	30,468	-
Romania	13,799[1]	6,708	-
Malaysia	6,542[2]	5,895	-
Total water discharge	**56,363**	**43,071**	-
Data coverage (% of employees covered)	>95%	>95%	-

1 The amount of water discharged is equal to water withdrawn due to data limitations.
2 Only the water discharged into public drains is considered.

Water cooling systems and water conservation
VAT uses water for a groundwater cooling system at its site in Switzerland, effectively reducing the need for traditional energy-intensive air conditioning systems. It achieves this by circulating groundwater through heat exchangers to absorb excess heat from buildings, which is a more environmentally friendly cooling solution that minimizes the impact on local air quality and reduces GHG emissions.

In Malaysia, VAT has continued to strengthen its water conservation efforts by reclaiming reverse osmosis (RO) reject water generated by its high-purity water systems. Our RODI (Reverse Osmosis De-Ionized) and UPW (Ultra-Pure Water) systems produce essential process water for manufacturing. During purification, these systems generate a secondary stream (RO reject water), which was previously discharged into the public drainage system.
In 2025, following laboratory testing and a comprehensive quality assessment, the RO reject stream was confirmed suitable for reuse as cooling tower make-up water. Because cooling towers require continuous replenishment owing to evaporation and automated blow-down cycles (triggered when resistivity rises above 1 MΩ), they represent an ideal and sustainable application for reclaimed water.
Since commissioning the reuse system in May 2025, VAT Malaysia successfully reclaimed 2,472 m³ of RO reject water. This represents approximately 6.5% of total site water consumption from May to December 2025. The initiative reduces demand for freshwater resources while supporting our commitment to responsible water management and operational efficiency.

This program marks an important step toward our long-term water stewardship ambitions, demonstrating how targeted engineering solutions can generate meaningful environmental benefits.

Outlook

Our objective is to source freshwater and discharge wastewater without VAT's operations or those of its suppliers negatively impacting ecosystems. Minimizing our water footprint also allows us to reduce operating costs and increase production resilience. Ultimately, we must also make sure that our operations do not have a negative impact on water resources at the locations we operate at.

Target	Current value	Status
Conduct a water stress assessment for each VAT manufacturing site by 2025	Assessment completed	Achieved

> Responsible water use is vital to our sustainability mindset, helping us improve efficiency and lower our environmental impact.
>
> Lee Ooi Ang, Facility manager, Malaysia

Use of energy

The reduction of Scope 1 and 2 emissions is a priority for VAT, as it lies inherently within our sphere of control, where we can make a direct impact. One of the focus topics is reducing the environmental impact of our electricity consumption. VAT seeks to ensure the efficient use of energy while transitioning to renewable energy sources for its production and service sites, as well as its supply chain. This involves implementing three primary approaches. Firstly, VAT intends to maximize self-generated electricity by fully utilizing all available roof areas for solar power. Secondly, the company is committed to transitioning to 100% renewable energy for its purchased electricity across its operational sites. Lastly, VAT is actively working to reduce its electricity requirements by enhancing energy efficiency throughout its operations, for example by using groundwater cooling.

By increasing energy efficiency in production areas and reducing reliance on grid-supplied electricity, for example by increasing the share of self-generated solar power from solar plants, VAT can stabilize energy expenditure, mitigate future price fluctuations, and enhance electrical stability.

Risks and opportunities associated with energy

On-site energy production can stabilize energy costs, as companies are no longer exposed to a fluctuating market. This is especially true for energy-intensive production processes. Energy-efficient buildings and transportation can lower ongoing operating costs. In addition, renewable or low-emission energy is experiencing drastic spikes in demand, with promising future outlooks. Serving associated markets (e.g., solar, nuclear, and coating (batteries)) creates massive opportunities for increasing revenue, as vacuum technology plays a major part.
The energy efficiency of individual machine components has a long-term impact on energy consumption in downstream production processes. This is especially relevant in light of rising energy prices and for industries with high energy requirements (e.g., the semiconductor industry). Therefore, offering products that are more energy-efficient than those of direct competitors may enable us to increase demand and market share.
For more information on climate-related risks and opportunities, see pages 88 to 93.

Energy consumption, energy intensity, and progress so far

In the last five years, VAT has been able to always exceed its energy savings targets. This has been possible thanks to investments in technical improvements as well as regular maintenance and inspection of the production infrastructure. In 2025, we further increased the share of renewable energy for our own production to 89%, up from 85% in 2024, and we are close to reaching our target of 90% by 2027. Looking only at electricity, we are already sourcing 98% from renewable sources. This is related to another increase in self-generated solar energy, where we now have a total photovoltaic (PV) capacity of more than 5,000 kilowatt peak (kWp) installed.

Besides this, VAT has been a participant in the Swiss Private Sector Energy Agency since 2018. Together with other large energy companies in the canton of St. Gallen, VAT contributes to the more careful and efficient use of energy by participating in the Energy Agency program.

Energy consumption, both in absolute and relative terms, increased in line with the increase in VAT's business activity in 2025. Details can be found in the Annual Report on page 119.

Energy consumption – production sites

In kWh	2025	2024	2023
Switzerland	21,415,888	20,494,087	17,216,478
Romania	4,720,952	3,757,690	3,779,620
Malaysia	26,603,774	17,017,696	15,491,943
Total energy consumption - production sites	**52,740,613**	**41,269,472**	**36,488,041**

Energy intensity

	2025	2024	2023
Revenue (CHF million)	1,073.5	942.2	885.3
Energy consumption (kWh) / revenue (CHF million)	49,129	43,801	41,215

Energy consumption by region and energy source

Switzerland	2025	2024	2023
Renewable (total)	**17,683,420**	**16,898,788**	**14,605,359**
Self-generated (solar)	375,890	100,930	113,530
Purchased renewable (green power mix)	379,343	368,172	374,439
Purchased renewable – with guarantee of origin (hydropower)	16,928,187	16,429,686	14,117,390
Non-renewable (total)	**3,732,468**	**3,595,299**	**2,611,119**
Heating oil	1,551,337	2,194,799	978,701
Natural gas	2,085,667	1,257,433	1,379,685
Diesel	95,464	115,392	217,542
Gasoline	-	27,676	35,191
Total energy consumption Switzerland	**21,415,888**	**20,494,087**	**17,216,478**

Malaysia	2025	2024	2023
Renewable (total)	**26,595,314**	**17,016,098**	**7,037,803**
Self-generated (solar)	5,593,602	1,849,804	2,035,325
Purchased electricity (general power mix)	-	-	-
Green energy tariff (GET)	21,001,712	15,166,294	5,002,478
Non-renewable (total)	**8,460**	**1,598**	**8,454,140**
Purchased electricity (general power mix)	-	0	8,420,487
Diesel	-	0	-
Gasoline	8,460	1,598	33,653
Total energy consumption Malaysia	**26,603,744**	**17,017,696**	**15,491,943**

Romania	2025	2024	2023
Renewable (total)	**2,681,574**	**1,416,048**	**1,431,424**
Self-generated (solar)	378,000	0	0
Purchased electricity (general power mix)	2,303,574	1,416,048	1,431,424
Non-renewable (total)	**2,039,378**	**2,341,642**	**2,348,195**
Natural gas	907,691	529,035	525,976
Purchased electricity (general power mix)	1,107,254	1,801,511	1,821,074
Diesel	-	897	1,146
Gasoline	24,432	10,200	–
Total energy consumption Romania	**4,720,952**	**3,757,690**	**3,779,620**

Higher efficiency in producing compressed dry air
As part of the yearly sustainability and energy conservation program in Malaysia, we implemented an air compressor system optimization project by replacing two existing ageing, less efficient compressors that had been in operation for more than 10 years with a new compressor with higher capacity and improved energy efficiency. This initiative significantly improved the overall efficiency of the compressed dry air (CDA) system, resulting in an estimated annual reduction in electricity consumption of approximately 796,233 kWh. By implementing such initiatives, VAT reduces its electricity consumption, yielding cost savings that promptly recover the initial investments, while at the same time contributing to the company's emission reduction objectives.

Sourcing of green energy and energy-efficient buildings in Romania and Malaysia
After the restoration of the rooftop installations at factory 1A following the fire in 2024, the PV installation is now fully operational again. On the roof of our new factory 1B in Malaysia, a PV installation was included from the very beginning, which also helped in the acquisition of the LEED Gold certificate in 2025. For both sites we are more than 20% self-sufficient thanks to our own energy production. An equally favorable development can be observed at our Romanian factory on the VGP park in Arad, which we moved to in 2025 and which will become fully operational in 2026. In 2025, we reached a self-sufficiency rate of more than 50% and consumed 100% of the self-generated electricity. The new factory in Romania also features a range of state-of-the-art installations such as heat recovery from hot air in the production process.

In both Malaysia and Romania, these achievements are supported by continuous efforts to access green electricity sources through renewable energy certificates (RECs), guarantees of origin or individual purchase agreements.

Outlook

With the commissioning of new capacities, we are planning to further increase the share of self-generated renewable energy in 2026 and surpass our self-imposed target of 90% by 2027. With this solid foundation, our goal is to further reduce VAT's use of energy per unit produced and improve the energy efficiency of our products. VAT strives to ensure the efficient use of energy while promoting renewable energy sources for our own operations as well as along our supply chain.

Target	Current value	Status
Increase the share of renewable energy consumed at VAT to over 90% by 2027	89%	On track

Performance

Profitable growth

In light of ambiguous political and regulatory developments, society faces the challenge of steering economic systems towards sustainable growth that considers ecological and social impacts while enabling long-term economic success. VAT is therefore convinced that sustainable innovation cannot be achieved through compliance with regulations alone. Sustainability must be understood as a strategic tool to enable more efficient, cost-effective, and resilient business models. Specifically, this approach will help us gain competitive advantages, for example by making sustainability information and the respective value-add transparent for our customers. This goes hand in hand with our efforts along the entire value chain, namely understanding and improving the impact of our own products as well as taking responsibility for our supply chain.

Understanding and managing the impact of our own products

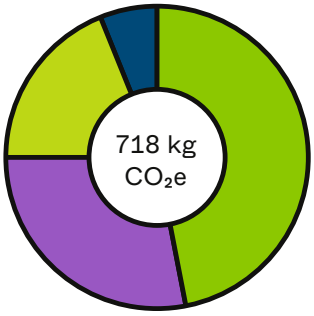
In 2025, we continued to strengthen our understanding of the environmental impact of our products by taking a deeper dive into the environmental aspects of another of our valves, the 05.3 transfer valve, building on the learnings of two environmental product declarations (EPDs) made back in 2024. We therefore conducted a life cycle assessment (LCA) making the products' impacts transparent along every step of the value chain. The scope of the LCA thus spanned the sourcing of the raw materials from the mine, through manufacturing and use to end-of-life recycling or disposal, taking into account resource and energy use at each stage. We will now use those considerations in the upcoming process of redesigning this product. This important addition gives VAT detailed insights into the environmental impacts of the following products:

1. Valve 10.8, an isolation valve, predominantly made of steel, used by our OEM customers in their semiconductor manufacturing tools. This valve is also widely applied in many of the advanced industrial markets VAT serves. The 10.8 isolation valve is manufactured in Switzerland.

2. Valve 65.3, a heated pendulum control valve, mostly made of aluminum, used by our OEM customers in their semiconductor manufacturing tools but also widely applied in display production systems. It is specifically designed to meet the needs of downstream pressure control and isolation and is produced at VAT's facilities in Malaysia.

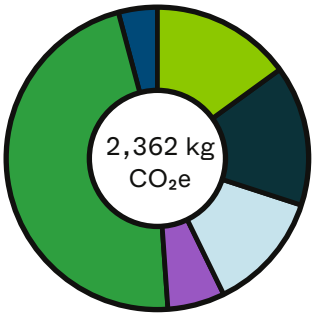
3. Valve 05.3, a transfer valve with L-motion technology, mostly made of aluminum, used by our OEM customers in their semiconductor manufacturing tools. It is particularly suited to corrosive processes such as etch or CVD and is produced at VAT's facilities in Malaysia.

10.8 Gate Valve



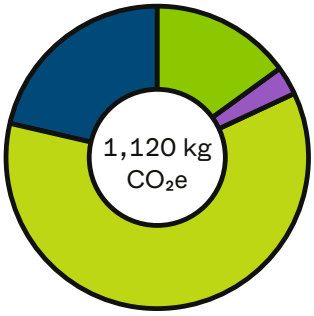
- 47% Raw materials
- 28% Transportation to customer
- 19% Replacements
- 6% Others[1]

65.3 Control Valve



- 15% Raw materials
- 15% Transportation to manufacturer
- 13% Manufacturing
- 6% Transportation to customer
- 47% Operational use
- 4% Others[1]

05.3 Transfer Valve



- 15% Raw materials
- 3% Transportation to customer
- 60% Replacements
- 21% Others[1]

The main insights drawn from these LCAs are as follows:

- In line with the findings of VAT's corporate carbon footprint, raw materials make up the largest part of the environmental footprint of VAT's valves, either as part of the newly manufactured product or as replacements. This means that the use of input materials is one of the biggest levers of decarbonization. With aluminum and steel by far the most important materials that VAT processes, either as raw materials or prefabricated items, reducing the environmental impact of products requires identifying and testing environmentally preferred materials.
- The second largest part of the environmental footprint comes from the use phase of the products. The energy consumed during the use phase depends on the specific requirements the valve needs to fulfil. The 65.3, for example, needs to be heated, and the energy used by the heater makes it more energy intense than a non-heated valve. One important consideration is that these emissions occur at the site of the final use of the product and are thus dependent on the location of the end user and the respective grid mix, which is outside VAT's control. However, by moving to more energy-efficient products, we can enable the reduction of emissions at the use phase.
- For all valves we assessed, transportation represents another major impact on the environment. We have therefore undertaken initial steps to improve our logistics routes and manufacture the products closer to our customers, thereby optimizing production capacities and transportation.

Importantly, these insights are representative of several other products in VAT's portfolio and thus allow us to draw respective learnings and cover a significant share of our sales. These insights were therefore both included in VAT's GHG transition plan and discussed in detail with our R&D and product teams to understand where and to what extent possible improvements can support the reduction of our GHG emission intensity. Going forward, these considerations will be included already in the design process, the sourcing of raw material, production, and customer-bound logistics. These cross-functional efforts help us improve both our sustainability and business performance.

1 Including transportation to manufacturer, manufacturing, and operational use

Outlook

While we still aim to increase the availability and quality of detailed sustainability information on our products and make this information accessible, we are also moving to act on the basis of this information. The insights we gained from performing the LCAs are important levers when it comes to meeting our decarbonization goals in line with SBTi. We therefore seek to identify, test, and ultimately apply enhanced materials, production techniques, and product designs to tackle emissions at their very source, while increasing the value of our products to our customers.

Target	Current value	Status
Provide product-specific information on sustainability and circularity to clients for 20% of sales by the end of 2025	>20%	Achieved

Circular economy and resource efficiency

Most waste at a manufacturing company like VAT is industrial waste generated at various stages in the production process – material handling, product assembly, and packaging – where excess materials, scrap, or defective components are produced. The remaining waste is generated in areas such as shipping and receiving, where packaging materials, pallets, and shipping containers are often discarded, and office waste at its manufacturing, sales, and service sites around the world.

VAT is aware that excessive waste generation can lead to resource depletion and environmental pollution, which is why we consider waste reduction and recycling efforts to be a material topic. Proper waste disposal is also crucial to ensure the health and safety of communities and minimize the negative impacts on the environment. By prioritizing waste reduction, recycling, and proper disposal methods, we aim to minimize our ecological footprint, conserve resources, and promote a circular economy. Regarding our downstream value chain, vacuum valves typically have a long lifetime and are primarily made of recyclable aluminum, which limits additional waste.

We recognize that economic growth and a growing workforce lead to higher production volumes and consumption, which in turn may generate more waste. We therefore strive to implement local initiatives that divert potential waste from landfill.

Companies implementing circular design in their products create opportunities to increase their market share in refurbishment and remanufacturing services. More efficient use of resources and materials in production processes can also reduce ongoing operating costs. By managing the sustainability attributes of product packaging (including sustainable materials, recyclable materials, weight reduction, etc.), we have the potential to reduce input and transport costs.

For more information on waste-related risks and opportunities, see pages 88 to 93.

Prevention and recycling of waste

At all our manufacturing sites, we recycle 100% of scrap metal generated during manufacturing processes. In Switzerland, we have also successfully tested a method to extend lubricant life by using smart devices to measure the amount of particle contamination in the coolant and then filter out excess contaminants so the fluid can continue to be used. This practice enables us to use production materials more efficiently while ensuring product quality. VAT intends to roll out this approach at its other sites. The company has also replaced harmful acetone-based cleaning agents with safer alternatives.

VAT is also raising awareness of e-waste and adequate ways of disposing of electronic items, thus ensuring that hazardous materials are handled safely and valuable resources are recovered through recycling.

VAT generally aims to minimize office waste by adopting practices such as paperless documentation, encouraging digital communication, and file sharing. Additionally, promoting awareness and educating employees on waste reduction practices encourages them to actively participate in minimizing office waste, and supports the company's overall efforts to create a sustainability culture among employees. Across all sites we reduced waste intensity in 2025.

In Switzerland, we have successfully implemented a dedicated foil-recycling process within the assembly area. All components entering VAT cleanrooms are packaged in plastic bags to ensure the required cleanliness standards. These plastic materials are now collected separately,

compressed into transportable units, and sent for recycling. Through this process, VAT's plastic bags are converted into new recycled film materials. We anticipate that approximately 50 metric tons of film waste per year will be recycled through this initiative.

In 2025, a recycling program was initiated at the new Plant 1B in Malaysia. By separating recyclables (like paper, cardboard, plastics, and foam) from non-recyclables, a substantial portion of waste can be diverted from landfills. However, this move may have resulted in an initial increase in waste generation as systems were adjusted and optimized.

Even seemingly empty cans may still contain gas or chemical residues, posing both an environmental and safety risk if disposed of in regular waste. VAT has therefore implemented a new disposal concept in Switzerland where designated collection containers are placed in production areas to ensure the proper and safe disposal of empty spray cans.

Waste generated

In tonnes	2025	2024	2023	Change
Switzerland[1]	1,729.9	1,945.1	1,754.2	11%
Romania	890.5	991.0	407.5	143%
Malaysia	2,250.6	2,273.5	2,371.7	–4%
Total waste	**4,871.0**	**5,209.6**	4,533.5	15%
Waste intensity				
Revenue (CHF million)	1,073.5	942.2	885.3	6%
Waste (tonnes) / revenue (CHF million)	4.5	5.5	5.1	8%

1 The laboratory site in Switzerland (Zurich) is not included as waste management is done directly via collective waste – no detailed information available.

Waste by treatment

In tonnes	2025	2024	2023	Change
Total waste recycled / reused	4,135.2	3,960.6	3019.6	31%
Total waste disposed	735.8	1,249.0	1513.8	–17%
Waste landfilled	306.8	320.0	596.5	–46%
Waste incinerated with energy recovery	429.0	928.9	917.4	1%
Waste incinerated without energy recovery	0.0	0.0	0.0	0%
Data coverage (as % of employees)	>95%	>95%	>95%	

Hazardous waste

In tonnes	2025	2024	2023	Change
Total hazardous waste recycled / reused	2,843.4	327.9	802.2	–59%
Total hazardous waste disposed [1]	276.7	408.8	847.0	–52%
Hazardous waste landfilled	253.1	0.0	468.8	–100%
Hazardous waste incinerated with energy recovery	23.6	408.8	378.2	8%
Hazardous waste incinerated without energy recovery	0.0	0.0	0.0	0%
Data coverage (as % of employees)	>95%	>95%	>95%	

1 Hazardous waste is defined according to the definition of the Basel Convention – Annex III as any waste which is explosive, flammable, poisonous, infectious, corrosive, toxic, ecotoxic, etc.

VAT strives to prevent waste by developing new production processes or optimizing existing ones to ensure that resources are kept in the material loop. This contributes to the overall ambition of reducing the environmental and social impact of resources used per product. We will therefore further develop new processes or optimize existing ones to ensure that resources are kept in the material loop.

The company's local facility management and production teams are responsible for overseeing the waste disposal process, including the collection and monitoring of data. They also monitor the performance of their local waste management partners and carry out supplier audits at least every three years to ensure contractual and legal obligations are met.

Target	Current value	Status
Increase the recycling rate of the scrap metal at all VAT manufacturing sites to 100% by 2025	100%	Achieved

Circular business

Taking a full-life-cycle view of value creation and reducing the need for virgin materials, VAT seeks to extend the lifespan of its products and take ownership of their end of life. VAT also strives to use its production assets for as long as possible before they are discarded as waste.

We want to improve our design principles, adopting practices that promote the efficient use of aluminum, water, and other resources. VAT can thereby enhance cost-effectiveness, reduce environmental impact, and contribute to the overall sustainability of our operations. The portfolio of our Global Service (GSE) business unit already comprises important circular business offerings such as upgrades and retrofits, spare parts, fixed-price refurbishment, and, particularly, repair. VAT repairs all types of valves in local service centers close to our customers. This minimizes transportation distances, enables the use of local facilities for supporting services, and allows fast and local expert support in urgent cases. By repairing, VAT conserves valuable raw materials and reduces the energy required for production and transportation. Many products that are discarded still have significant potential for reuse. Repairs also support a circular economy, in which materials remain in use for as long as possible. This shift from a "take–make–waste" mindset toward a more circular approach aligns with VAT's long-term sustainability strategy and reinforces our commitment to responsible resource management. By making repairs a priority, VAT takes a meaningful step toward lowering its environmental footprint and leveraging the inherent longevity provided by the quality of its products. This mindset not only benefits our customers and partners but also demonstrates our dedication to building a future where longevity, efficiency, and environmental responsibility go hand in hand.

Vacuum valves – transfer valves or control valves – are a key component of semiconductor production plants (fabs), where their availability, performance, and maintenance are a decisive factor in fab efficiency. VAT offers a comprehensive range of upgrades and retrofits for existing production systems, which offer an instant improvement in performance in terms of enhanced particle avoidance, cycle speed, controllability, and extended maintenance intervals. This example shows how VAT is capable of delivering substantial throughput improvements in industrial processes while lowering our clients' cost of ownership and at the same time reducing environmental impact along the entire value chain.

Our ambition is therefore to continue to maximize the potential life cycle of our products and retrofit fabs with products with better sustainability performance. We will continue to take a full-life-cycle view of value creation, reducing the need for virgin materials, prolonging the lifespan of VAT's products, and taking ownership of their end of life.

Target	Current value	Status
By 2029, increase the value of VAT's service offering by ensuring longevity and the promotion of product circularity	Ongoing	On track

> Repairs are an important driver of the success of our service business as well as our sustainability ambition. They ensure maintaining the highest quality of the end users' production processes while optimizing the use of resources.
>
> Marc Osswald, Head of Global Service

Enable sustainable technologies

VAT aims to position itself as a key player in the development and scaling of sustainable technologies across all industries. We innovate to offer vacuum solutions enabling tomorrow's sustainable technologies.

Our strength is our broad product portfolio, which comprises approximately 140 series of valves with more than 8,000 customized and 2,500 standard products. We offer solutions for all vacuum levels from sub-atmospheric to extremely high vacuum (XHV). This product range and functionality is important because generating and maintaining high-purity vacuums – capabilities in which VAT is the technology leader – is vital to the creation of many of the products and processes required to address critical issues such as global climate change and natural resource depletion. In many cases, vacuum valves play an indirect role, such as in the manufacture of semiconductors needed, for example, to store energy in a modern smart grid, to operate electric vehicles, and to vastly improve the energy and resource efficiency of a wide variety of industrial processes. Scientists and researchers use our vacuum technology to push the boundaries of technology as they seek new ways to improve existing low-carbon power generation. For example, while VAT technology has been present in the conventional low-carbon nuclear power generation sector for many years, both at the generation and waste treatment ends of the process, we are also active in research and development in nuclear fusion.

Our goal is to further strengthen this position in the next years.

Target	Current value	Status
By 2029, step up R&D efforts to ensure thought leadership in sustainable technologies	Ongoing	On track

Resilience

Strengthening VAT's resilience is at the core of our sustainability strategy. We recognize that sustainability risks, whether operational, legal, financial, or reputational, can significantly impact our business. That is why we are committed to proactively monitoring and mitigating these risks.

At VAT, climate risks are monitored by the sustainability team in collaboration with EHS and Sustainability Supply Chain managers. Decisions regarding climate risk mitigation, transfer, acceptance, and control are made by the sustainability team upon the agreement of the Group Executive Committee and the Sustainability Committee. VAT has conducted a climate risk analysis based on different scenarios (see page 88). Our climate strategy is particularly equipped to meet various climate scenarios, including global warming of below 2 degrees by 2070 and greater than 3 degrees by 2080.

We recognize the importance of integrating climate risk management into our broader risk management framework. As part of our ongoing efforts, we are working to enhance this integration, ensuring that climate-related risks are systematically assessed and managed alongside other business risks. This will allow a more comprehensive approach to risk mitigation and long-term resilience.

Our ambition is to have an exhaustive overview and to be able to manage all sustainability risks affecting VAT. Inadequate risk management increases the occurrence of potential risks and reduces the company's ability to respond to them, which can entail increased costs (e.g., regulatory fines). Companies in the downstream value chain are increasingly placing higher

demands on their suppliers' risk management. Failure to meet these requirements can result in the loss of or a decline in customers for VAT, while inadequate internal control and documentation of the requirements could lead to a deterioration in our reputation in the eyes of investors and customers. We therefore seek to mitigate sustainability-related risks by establishing stable and reliable supply chains, and climate adaptation and scenario planning for regulatory updates, natural disasters, etc.

Overview of risks associated with sustainability

In addition to the requirements set down in the Swiss Ordinance on Climate Disclosures and the corresponding risk assessment according to the TCFD (see pages 88 to 93), VAT keeps constant track of sustainability-related risks and the respective mitigation measures. A summary of the key risks identified is provided in the table below.

Direct		
	Legal and regulatory compliance	Legislation in all relevant jurisdictions has significantly evolved (e.g., the Swiss counterproposal to the responsible business initiative including the climate ordinance; EU CSRD), while voluntary standards (e.g., RBA) have become de-facto standards to do business. Proactively managing these requirements avoids financial risks (fines) and negative impacts on VAT's business relationships.
	Supply chain interruption	Suppliers not complying with sustainability standards face a direct risk of losing their license to operate and indirect business risks by missing quality requirements. Additionally, natural catastrophes may impact production facilities or transportation routes. Mitigations include developing alternative suppliers, improving business continuity management, and remediating potential supply chain bottlenecks.
	Market developments	Direct customers and end-users pay increasing attention to sustainability topics. This development, in combination with intensified competition, may have an adverse commercial impact on VAT if sustainability is not considered.
	Shortage of skilled workforce	The next generation of (potential) employees has higher expectations in terms of employers' sustainability engagement. In areas with limited access to a skilled workforce, failing to meet these expectations is a significant risk, which can be mitigated by integrating sustainability strategically into communication and at the same time providing opportunities for employees to engage in the company (ideation, etc.).
	Shortage of natural resources and water risks	The over-use of resources or geopolitical issues may lead to a scarcity of critical production factors, which can be remediated by strategically replacing these materials or tapping alternative sources/suppliers. Also, deteriorating water quality or restricted access to clean water (driven by pollution, regulatory changes, or local scarcity) can disrupt operations and supply chains, requiring enhanced water management and treatment measures.
Indirect		
	Natural catastrophes and climate change	As a result of climate change and other adverse human impacts on nature, the risk of catastrophes and physical damage to company assets is increasing. Resilience therefore needs to be ensured, for example by strategically locating facilities or taking preventive infrastructural measures.

Information security

Information security has emerged as a material topic for VAT owing to the pervasive and evolving threat that cyberattacks pose to our business. With the increasing reliance on technology and interconnected systems, VAT, like other companies, faces significant risks from data breaches and the theft of sensitive information, resulting in possible financial losses, reputational damage, legal liabilities, and disruption to operations. By prioritizing information security measures, VAT is able to put in place safeguards to protect its assets, customer and employee trust, ensure business continuity, and comply with data protection regulations, ultimately ensuring the resilience of its operations in a digital world.

VAT's information security standards are based on the Cybersecurity Skills Framework (ECSF), the guidelines of the German Federal Office for Information Security (BSI), and the American Cybersecurity and Infrastructure Security Agency (CISA). The company enforces local legal requirements, while the internal standard is based on the General Data Protection Regulation (GDPR).

Since 2017, VAT has had an information security management system (ISMS) aligned with the requirements and best practices of ISO 27001 and applying to all subsidiaries and partners. In 2025, we successfully certified our ISMS according to ISO 27001:2022.

Besides this, VAT has 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 into its supply chain operations.

In late 2024 and 2025, VAT organized cyber-attack simulation to test the resilience of our systems. In addition, we perform yearly risk analysis and record the gaps and progress in our ISMS.

In 2025, 98% of employees with access to IT systems completed IT security trainings.

As a forward-thinking organization, VAT is committed to proactively addressing these emerging risks through enhanced awareness, education, and strategic planning to ensure the responsible and secure deployment of AI technologies throughout its operations.

	2025	2024	2023
Percentage of all operational sites with an ISMS based on ISO 27001	100%	100%	100%
Number of confirmed information security incidents	0	0	0
Percentage of employees with access to IT systems who have completed IT security trainings[1]	98%	86%	94%
Information and cybersecurity training hours (male employees)	2,449	2,877	–
Information and cybersecurity training hours (female employees)	636	741	–
Total hours invested into awareness trainings to prevent security breaches	3,085	3,618	3,393

1 All directly employed staff who have access to information systems as part of their daily work are included in the training.

Outlook

To become more resilient, our goal is that all sustainability risks at VAT are known and managed. We strive to mitigate sustainability-related risks, for example by establishing stable and reliable supply chains, and climate adaptation and scenario planning for regulatory updates or natural disasters. We also continue to manage sustainability as a risk category in our group-wide risk management system, which is reviewed by the risk management council on a regular basis.

Target	Current value	Status
By 2025, have mitigation plans for sustainability risks in place and managed in the group-wide risk management process	Included in group risk management	Achieved
Over 95% of employees have completed the cybersecurity training by 2025	98%	Achieved

> Cybersecurity supports VAT's growth by fostering trust and resilience. We believe in empowering people, not just deploying technology, and we cultivate a culture where awareness and accountability make security part of every decision.

Georg Kvas, Head of IT Information & Cyber Security Office

Governance

VAT Group is committed to the highest principles of good corporate governance, aimed at ensuring transparency, achieving a balanced relationship between management and control, and safeguarding stakeholder interests.

VAT Group regularly reviews its corporate governance framework and discloses information on corporate governance in accordance with the SIX Swiss Exchange Directive on Information relating to Corporate Governance, the Swiss Code of Best Practice for Corporate Governance, and the corporate governance provisions of the Swiss Code of Obligations.

We are convinced that adequate governance structure and composition, as well as internal control, can foster investor confidence and increase the value of the company. Conversely, a vague or confusing governance structure can cause inefficiencies in a company's sustainability efforts and also affect operational excellence. Inadequate sustainability governance and the transparency of this governance could lead to a worsening reputation in the eyes of investors and customers. Furthermore, we acknowledge that involvement in, or association with, corrupt activities (even across multiple nodes in a network) and anti-competitive behavior jeopardize the position of companies as credible, responsible, and trustworthy business partners.

VAT mitigates risks associated with potential legal violations, reputational damage with customers and suppliers, and general business disruptions due to non-compliance. Being accountable, meeting commitments, and open communication enable VAT to create competitive market value for all stakeholders. To effectively structure and convey all these considerations, VAT Group has implemented a code of conduct setting out VAT Group's key principles on governance. Building on the code of conduct, VAT has in place a comprehensive set of policies, which define the guidelines of how we work and which are further broken down into directives as part of our management system. The most important policies can be found online at www.vatgroup.com/sustainability.

Employees at VAT receive ongoing training to reinforce their understanding of responsible business practices, and they are encouraged to report any concerns confidentially through our compliance hotline. In addition, our collaboration with external stakeholders, including the Responsible Business Alliance, helps ensure alignment with global best practices.

To ensure conformity with our commitments, regular audits are performed to test policy adherence and identify areas for improvement.

Embedding governance in the organization

Code of conduct

VAT's code of conduct aims to uphold the highest integrity standards by committing to fair competition and strict compliance with national and international laws and regulations. It lays the groundwork for how VAT treats its customers, suppliers, investors, employees, the communities where it operates, and each other. This code is based on international norms and standards, including the Universal Declaration of Human Rights, ILO's International Labor Standards, the OECD Guidelines for Multinational Enterprises, and ISO and SAI standards. We will continue to update our code of conduct to align with the most recent version of the RBA Code of Conduct.

The code of conduct emphasizes key principles including respect for human rights and the personal dignity of every individual. It upholds a commitment to the highest standards of health, safety, and security within its own operations and those of its suppliers and business partners. Ensuring top product quality is a priority, alongside maintaining integrity through fair competition and strict compliance with national and international laws. Additionally, the code promotes the sustainable use of natural resources to minimize environmental impact.

VAT's Group Executive Committee and Board of Directors fully support the code of conduct and are committed to embedding its values and principles at the core of our operations. Employees are expected to speak up and report any violation of the policy. Upholding the code of conduct is a non-negotiable requirement in our supply chain, and any violation of the supplier code of conduct may lead to the termination of business relationships.

As part of our ongoing efforts, a comprehensive training program on the code of conduct has been created, making it mandatory for all employees to complete the code of conduct training annually. In addition, and depending on the exposure level of respective job roles, extra training on anti-corruption and bribery was conducted to reinforce responsible practices throughout the organization. The code of conduct is available at www.vatgroup.com/sustainability.

Compliance hotline

The code of conduct outlines the process for reporting misconduct through VAT's compliance hotline. This hotline addresses concerns related to breaches of the code, actions posing legal or other risks to VAT, and improper application of VAT's values in management and business conduct, including inappropriate treatment of employees. It also covers theft, embezzlement, financial and vendor fraud, account manipulation, and breaches of internal controls. Additionally, it addresses conflicts of interest, bribery, facilitation payments, unethical donations, and questionable gifts or entertainment involving business partners or public officials. Potential violations of antitrust or fair-trading laws, espionage, sabotage, and information security breaches are also within its scope. The compliance hotline can be accessed online at www.vatgroup.com/sustainability.

The company commits to protecting those reporting misconduct in good faith or who have taken part in investigations from discrimination or retaliation.

Reports of suspected misconduct are evaluated by the manager at VAT's compliance department. Confirmed misconduct may result in disciplinary measures such as warning letters or termination. Suspected compliance misconduct and the results of investigations form part of management and audit reports submitted quarterly to VAT executive management, VAT's audit committee, and the Board of Directors.

Compliance / regulatory violations

In numbers	2025	2024	2023
Material compliance cases reported via the compliance hotline	0	2	1
Thereof reports investigated	0	2	1

Generally, owing to the small number of cases and to ensure the privacy of the people involved, we do not report on the follow-up measures resulting from investigations. In 2025, no material compliance cases were reported via the compliance hotline.

In 2025, no incident of corruption was confirmed, and no public legal case was brought against VAT or its employees. Anti-corruption training was part of the code of conduct training, which is mandatory for all employees. Our policies aiming at preventing corruption include our anti-bribery and corruption policy (VAT Malaysia) and our policy on anti-corruption.

No legal action regarding anti-competitive behavior or violations of anti-trust and monopoly legislation was brought against VAT in the year under review.

Compliance with laws and regulations

The handling of compliance cases involves a thorough evaluation by the compliance department, assessing each case in accordance with internal policies and legal regulations. The compliance officer plays a crucial role in the assessment process, providing valuable insights and expertise to determine whether a case is deemed non-compliant. The outcome of the assessment is documented to provide a clear record of the compliance department's evaluation and decision-making process. This approach ensures a fair and comprehensive determination of compliance status for each case. VAT Group aims to ensure tax compliance with applicable tax laws and regulations and appropriately coordinate the tax practices followed by the companies of the group, while ensuring that corporate interests are served and that the long-term business strategy prevents tax risks. The strategy tax policy sets out VAT Group's approach to management and control over its tax affairs and sets out the general framework within which VAT Group will operate in connection with tax-related issues. The policy can be found on our website at www.vatgroup.com/investor-relations/corporate-governance.

Internal Audit

At VAT, Internal Audit is an assurance and advisory function, independent of management and reporting directly to the Audit Committee. It provides assurance on the effective functioning of internal controls and governance and supports the continuous improvement of processes. Furthermore, it promotes an ethical culture, transparency, and integrity across the organization. In 2025, Internal Audit conducted six projects. The scope of these projects covered commercial entities in Asia and the United States, as well as R&D activities and payroll management at the corporate headquarters.

Collective bargaining agreements

VAT does not have any collective bargaining agreements for VAT Group or any of its entities. VAT refers to the applicable employment law.

Outlook

VAT's ambition is to address any concern of non-compliance with its policies. Thanks to our code of conduct and compliance hotline, as well as our internal audit, we are able to mitigate risks and ensure good corporate governance.

Target	Current value	Status
Maintain zero confirmed cases of corruption	0	Achieved
By 2025, 100% of reported whistleblowing concerns are investigated and closed	100%	Achieved

VAT's management system

VAT has established a robust management system to systematically implement the code of conduct and ensure the efficiency of its processes. A certified management system plays a crucial role in ensuring compliant processes. In addition, it enhances transparency and builds trust among stakeholders, showcasing the company's commitment to compliance and quality. By obtaining various management system certifications, VAT demonstrates adherence to industry standards and regulations, establishing a framework for consistent and efficient operations. VAT maintains an externally certified combined quality and environmental management system according to ISO 9001 and 14001, as certified under the ISO scope. In 2025, VAT renewed its ISO 9001:2015 and 14001:2015 certification covering all operational companies, representing 100% of employees. VAT has newly certified its ISO 45001:2018 health and safety management system for its headquarters and its production sites in Malaysia, Romania, and Switzerland, covering 90% of all global employees. Lastly, VAT newly certified its ISO 27001:2022 information security management system for VAT Group AG. The scope of the certification is reassessed annually.

VAT's management system certifications according to ISO standards are as follows:

	2025
Entities certified ISO 9001: 2015	VAT Group AG VAT Vakuumventile AG, Schweiz Comvat AG, Schweiz VAT Manufacturing Malaysia Sdn. Bhd., Malaysia VAT Romania SRL, Romania VAT Vacuum Products Ltd., UK VAT Inc., USA VAT Ltd., Japan VAT Korea Ltd., S. Korea VAT Deutschland GmbH, Germany VAT S.A.R.L., France VAT Netherlands B.V., Netherlands VAT Singapore Pte. Ltd. VAT Taiwan Co. Ltd VAT Vacuum Valves Shanghai Co. Ltd. VAT Vacuum Valves Beijing Co. Ltd.
Entities certified ISO 14001: 2015	VAT Group AG VAT Vakuumventile AG, Schweiz Comvat AG, Schweiz VAT Manufacturing Malaysia Sdn. Bhd., Malaysia VAT Romania SRL, Romania VAT Vacuum Products Ltd., UK VAT Inc., USA VAT Ltd., Japan VAT Korea Ltd., S. Korea VAT Deutschland GmbH, Germany VAT S.A.R.L., France VAT Netherlands B.V., Netherlands VAT Singapore Pte. Ltd. VAT Taiwan Co. Ltd VAT Vacuum Valves Shanghai Co. Ltd. VAT Vacuum Valves Beijing Co. Ltd.
Entities certified ISO 45001: 2018	VAT Group AG VAT Vakuumventile AG, Schweiz Comvat AG, Schweiz VAT Manufacturing Malaysia Sdn. Bhd., Malaysia VAT Romania SRL, Romania
No. of sites which were audited according to ISO 9001, 14001 and 45001	VAT Group AG VAT Vakuumventile AG, Schweiz Comvat AG, Schweiz VAT Manufacturing Malaysia Sdn. Bhd., Malaysia VAT Singapore Pte. Ltd. VAT Taiwan Co. Ltd VAT Vacuum Valves Shanghai Co. Ltd. VAT Vacuum Valves Beijing Co. Ltd.

In addition to these general management certifications, COMVAT, the VAT entity specialized in the development and manufacture of bellows, is certified according to IATF 16949:2016, a production standard for the automotive industry. Regular audits help the company identify and address non-compliance, promoting a culture of continuous improvement and proactive risk management.

Governance structure

An overview of the organizational structure regarding sustainability governance can be found on page 23 of this report. The following sections provide information on the general responsibilities and the governance mechanisms of the Board of Directors (BoD).

Board of Directors

VAT Group AG's highest governing body is the Board of Directors (BoD). It comprises highly qualified and eligible individuals. In 2025, the BoD comprised nine members, with no executive members. In 2025, three of the nine BoD members (30%) were women. All nine BoD members operate independently, free from conflicts of interest, to ensure effective oversight and governance of the company's operations.

The BoD is entrusted with the ultimate direction of VAT's business and the supervision of those entrusted with VAT's management, the Group Executive Committee (GEC). The BoD represents VAT in dealings with third parties and manages all matters that have not been delegated to another body of VAT Group AG by law, the Articles of Association or by other regulations.

The chair of VAT's Board of Directors has no executive role in the company and is considered fully independent.

Committee structure of VAT

Board member	Audit Committee (AC)	Nomination and Compensation Committee (NCC)	Technology Committee (TC)	Sustainability Committee (SC)
Martin Komischke	–	–	–	–
Urs Leinhäuser	Chairperson	Member	–	–
Hermann Gerlinger	–	Member	Chairperson	–
Libo Zhang	Member	Chairperson	–	–
Daniel Lippuner	–	–	Member	Chairperson
Petra Denk	–	–	Member	Member
Thomas Piliszczuk	–	–	Member	Member
Clara-Ann Gordon	Member	–	–	–
Michael Allison	–	–	–	–

VAT's Board of Directors has four sub-committees: the Audit Committee (AC), the Nomination and Compensation Committee (NCC), the Technology Committee (TC), and the Sustainability Committee (SC). Details of the duties of the BoD, its committee structure, the tenure of each member, and additional mandates can be found in the corporate governance section (pages 54 to 73) of VAT's 2025 Annual Report. The Annual Report can be found online at www.vatgroup.com/investor-relations.

Nomination and selection of the Board of Directors
New members of the BoD are evaluated and selected by the NCC and subsequently proposed to the shareholders for election at the annual general meeting (AGM). In the evaluation process, the BoD looks for candidates who are independent, have specific knowledge of VAT's industries and markets, strong financial backgrounds, proven managerial skills, and the highest level of integrity. In addition, the BoD strives to achieve a diversity of cultural backgrounds and gender representation. Each member of the BoD, including the chair, must be elected, and may only be removed by a shareholder resolution. The maximum term of office is one year[1]. Members are eligible for re-election until the end of their 72nd year of age and until they have been a member of the BoD for 12 years.

Role of the Board of Directors and delegation of responsibility
According to Article 716 of the Swiss Code of Obligations, the Board of Directors has non-transferrable obligations and irrevocable duties, which are further outlined in the Organizational Regulations that are published on VAT's website under Corporate Governance at www.vatgroup.com/investor-relations/corporate-governance as well as in the Annual Report, page 64.

Regarding sustainability, these obligations include, but are not limited to:

- ensuring compliance with laws, the Articles of Association, regulations, and directives,
- determining the organization and internal control framework, as well as conducting risk assessments, including sustainability risks,
- evaluating non-financial aspects to ensure compliance and adherence to regulatory requirements in accordance with Article 964c of the Swiss Code of Obligations (non-financial reporting).

Role of the Board of Directors in sustainability reporting
In 2024, VAT instituted a Sustainability Committee to steer sustainability at the highest governance level. The Sustainability Committee is responsible for providing guidance and overseeing the implementation of all sustainability-related measures at VAT. In 2025, VAT's Sustainability Committee continued to play a central role in driving the company's sustainability efforts.

The Sustainability Committee approves the yearly Sustainability Report prepared by the GEC, monitors the annual progress made by the organization towards its publicly stated sustainability goals, and ensures full compliance with any rules and regulations concerning sustainability.

1 In this context, a year means the period between one ordinary shareholders' meeting and the next or, if a member is elected at an extraordinary shareholders' meeting, between that extraordinary shareholders' meeting and the next ordinary shareholders' meeting.

Conflict of interests

As stated in its code of conduct, VAT draws a line between private interests and the interests of the company. Employees must not engage in any activity or accept any task that might conflict with VAT's interests. Employees are prohibited from giving preferential treatment to any business associate for private reasons. This applies particularly to immediate family members and other relatives. Furthermore, employees must ensure that none of their decisions or activities can be construed as having been driven by personal interests. All Board of Directors members are required to disclose to the company any mandate they have or intend to accept. As such, there are no cross-board memberships and no cross-shareholdings with suppliers or other stakeholders. VAT's largest shareholder is a Swiss individual who owns 10% of the company's outstanding shares. He has held the shares since 2017 and is not considered a controlling shareholder.

Communication of critical concerns

Critical concerns are shared with the Board of Directors by the Group Executive Committee whenever they occur and/or during regular Board of Directors meetings and calls. Critical concerns include the company's overall business development, which may or may not influence a variety of stakeholders in a positive or negative way. Stakeholders include employees, suppliers, customers, communities, and the financial community. In addition, any ad hoc development that needs attention is immediately shared with the BoD outside the regular meeting calendar. During 2025, the BoD and the committees conducted regular formal meetings and conference calls, as presented below:

Formal meeting and video conferences (calls)

	BoD	AC	NCC	TC	SC
Total number of meetings/calls in 2025	5/7	4/2	3/2	3/2	2/3
Usual average duration (approx., in hours) of meetings/calls in 2025	6/2	2.5/1	2/1	4/2.5	1.5/1.5
Martin Komischke	5/6	-	-	-	-
Urs Leinhäuser	5/7	4/2	3/2	-	-
Hermann Gerlinger	5/7	-	3/2	3/2	-
Libo Zhang	5/7	4/2	3/2	-	-
Karl Schlegel[1]	2/2	-	-	2/1	-
Daniel Lippuner	5/7	2/1	-	3/2	2/3
Petra Denk	5/7	-	-	3/2	2/3
Thomas Piliszczuk	5/7	-	-	3/2	2/3
Clara-Ann Gordon[2]	3/4	2/1	-	-	-
Mike Allison[2]	2/4	-	-	-	-
Internal audit	-	4/0	-	-	-
External audit (KPMG)	-	4/0	-	-	-
External advisors	2/0	-	3/1	-	1/0

1 Member of the Board until May 2025
2 Member of the Board from April 2025

Collective knowledge of the Board of Directors
Through extensive reading, research, and participation in relevant conferences and seminars, the members of the BoD engage in continuous learning to actively stay informed about industry trends, best practices, and regulatory developments. When appropriate, members seek advice from professionals in relevant fields, engage with consultants, and establish partnerships with educational institutions and industry associations. More information on the areas of expertise of the members of the BoD and their industry experience, both past and present, can be found in the VAT Annual Report 2025 on pages 60 to 63.

Evaluation of the performance of the Board of Directors
VAT's Board of Directors conducts regular self-evaluations, including rating its performance in areas such as strategic guidance, risk management, and management oversight. The last assessment was conducted externally in 2022.

Remuneration policies
To ensure their independence in exercising their supervisory duties, members of the BoD receive fixed compensation only. This is paid partially in cash and partially in shares, blocked for a period of three years to strengthen alignment with shareholders' interests. The annual compensation for each member of the BoD depends on the functions and tasks carried out in the year under review.

VAT Group's compensation principles for the GEC support the company's business strategy and foster the commitment of all employees to the company's long-term goals. They include internal fairness, focus on sustainable long-term value creation, alignment with shareholders' interests, and simplicity and transparency. The total compensation for the highest governance body is put to a prospective vote each year at the annual general meeting. In addition, the shareholders also have a non-binding retrospective vote on the actual compensation.

Details of the Board of Directors and Group Executive Committee compensation principles and the compensation structure can be found in the VAT Annual Report 2025 on pages 82 to 103.

Ratio of annual remuneration paid
The ratio of the annual total compensation paid to the highest-paid employee to the average annual remuneration of all employees (excluding the highest-paid employee) based on the average FTEs was 16 (2024: 18).

Top: VAT reduces packaging waste through enhanced separation processes, thereby fostering recycling rates and saving cost (Haag, Switzerland)
Bottom: At our production sites we source >95% renewable energy and strive to increase the share of own produced energy (Haag, Switzerland)

Annex

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Climate risk management

The following section provides VAT's reporting in line with Article 964b of the Swiss Code of Obligations and the Swiss Ordinance on Climate Disclosures, respectively.

Risk management

As part of the last materiality assessment conducted in 2022, VAT assessed the risks stemming from climate change affecting its activities and value chain, the most important of which are described below. In line with TCFD requirements, the risks are separated into transitional risks related to the transition to a lower-carbon economy and physical risks related to the physical impacts of climate change.

We used climate scenarios based on frameworks from the Network for Greening the Financial System (NGFS) and recommended by the TCFD. We considered the "Orderly" and "Hot House World" scenarios and assessed the separate risks and opportunities identified in each scenario.

1 The "Orderly" scenario assumes a future in which immediate climate policies and actions are taken. In this scenario, net zero CO_2 emissions are reached between 2050 and 2070.
2 The "Hot House World" scenario describes a situation in which only current policies are implemented. This scenario assumes a global temperature increase of 3°C or more on average by 2080, in line with scientific calculations. The potential for physical risks is higher in this climate scenario, while owing to the limited climate policies, low transition risks can be assumed.

The respective measures taken by VAT to address the risks outlined below are described in detail in the previous sections of this report.

Risks

	Scenario considered	
Risk category	**"Orderly" scenario (<2°C by 2070)**	**"Hot House World" scenario (>3°C by 2080)**
Transition risks: current and emerging regulation	Transport-related emissions are at the center of public debates and regulations related to GHG emissions are increasing. This can lead to increasing costs for logistics processes along the value chain. Short term	
Transition risks: current and emerging regulation	Because air, water, and soil pollution are an ever-increasing problem in large parts of the world, changes to regulations relating to air pollution result in increasing operating costs to ensure compliance. Medium term	
Transition risks: current and emerging regulation	As local, regional, and national environmental laws place increasing emphasis on resource conservation and waste management, the handling and disposal of (hazardous) waste produced during manufacturing can lead to increased operating costs and capital expenditures. Medium term	
Transition risks: market	Companies increasingly set ambitious goals for GHG emissions reduction. As these goals often also include Scope 3 reductions, upstream suppliers can be confronted with increasing demands regarding their own CO_2 accounting resulting in the necessity for capital expenditure and/or increasing operating costs. Short term	
Transition risks: market	Device manufacturers and other end-consumers are increasingly demanding energy-efficient products. Slow product development or a lack of programs to increase energy efficiency in the use phase could lead to a decline in sales. Short term	
Transition risks: market	Packaging materials are an increasingly frequent issue with end users, OEMs, and equipment manufacturers in terms of volume and environmental attributes, as material removal and waste contribute to adverse environmental impacts. Growing demands placed on partners along the upstream value chain can lead to higher operating costs and capital expenditure to improve packaging processes and materials. Medium term	
Transition risk: reputation	Failing to meet the growing expectations of customers, regulators, and the public may lead to negative perceptions of company performance. Medium term	

	Scenario considered	
Risk category	**"Orderly" scenario (<2°C by 2070)**	**"Hot House World" scenario (>3°C by 2080)**
Acute physical risks: water		In the event of extreme water scarcity, companies that are not classified as systemically important in the national emergency plans may be affected by water stoppages affecting production processes.
		Long term
Acute physical risks: logistics	Higher chances of droughts throughout all seasons of the year may impact the usability of waterways, particularly on the river Rhine, which may affect the availability of critical goods in Switzerland.	The same acute physical risk applies, but with seriously higher impact.
	Long term	Long term
Chronic physical risk: production		Water is a critical factor for various production processes. At the same time, water is becoming a scarce resource around the world owing to increasing consumption due to population growth and rapid urbanization, and reduced supplies due to climate change. This development may lead to higher supply costs.
		Long term
Chronic physical risk: input materials	A growing shortage of finite raw materials caused by increasing demand to meet the requirements of new, sustainable technologies (e.g., rare earths, lithium, etc.) may lead to rising raw material prices in purchasing.	Companies that depend on the use of finite resources are likely to face future challenges related to circular approaches in production, which may lead to higher operating costs and necessary capital expenditures.
	Medium term	Medium term
Upstream and downstream risks	Rising energy and logistics costs in the upstream value chain, partially those due to regulations on GHG emissions, may simultaneously make the purchase of materials and intermediate products more expensive.	
	Short term	

Opportunities

	Scenario considered	
Opportunity category	**"Orderly" scenario (<2°C by 2070)**	**"Hot house world" scenario (>3°C by 2080)**
Resource efficiency: production processes	A more efficient use of resources and materials in production processes can reduce ongoing operating costs.	With increased temperatures, production input factors are expected to become increasingly scarce, leading to growing pressure on efficiency.
	Short term	Medium term
Resource efficiency: water	Efficient water use is expected to become a cost driver in light of water scarcity.	Water scarcity is expected to become a major physical risk; efficiency is key in a resource-constrained environment. Companies that are able to minimize water consumption in production can reduce their operating costs.
	Long term	Long term
Resource efficiency: waste	Companies that can reduce the waste they generate and increase recycling rates benefit from lower operating costs.	
	Short term	
Resource efficiency packaging	By managing the sustainability attributes of product packaging (including sustainable materials, recyclable materials, weight reduction, etc.), companies can potentially reduce input and transport costs.	
	Short term	
Energy source: buildings and operations	Energy-efficient buildings can lower ongoing operating costs.	In an unstable energy market due to climate impacts, self sufficiency becomes crucial. On-site energy production can stabilize energy costs, as companies are no longer exposed to a fluctuating market. This is especially true for energy-intensive production processes.
	Short term	Short term
Energy source: renewable energy	Switching to renewable energy to reduce greenhouse gas emissions can reduce operating costs in the long term, as it can be assumed that renewable energies will be cheaper in the future than fossil energy sources.	
	Medium term	
Products and services: efficiency of products in the use phase	The energy efficiency of individual machine components has a long-term impact on energy consumption in downstream production processes. This is especially relevant in light of rising energy prices and for industries with high energy demands (e.g. semiconductor industry). Companies whose products are more energy-efficient than those of direct competitors are more likely to increase demand and market share.	With increased temperatures, efficient energy use will become even more important, leading to growing pressure on the efficiency of products.
	Long term	Medium term
Products and services: services and business models	Increased resource constraints will put longevity and the total cost of ownership of a product into focus. Companies implementing circular design in their products, including the corresponding monetization models, can potentially increase their market share and tap into additional revenue streams.	With increased resource and energy constraints, circular business models will become a license to operate for allindustries.
	Medium term	Long term

	Scenario considered	
Opportunity category	**“Orderly” scenario (<2°C by 2070)**	**“Hot house world” scenario (>3°C by 2080)**
Markets: new industries	Renewable or low-emission energy is experiencing spikes in demand, with a promising future outlook. Serving associated markets (e.g., solar, nuclear, and coatings (batteries) creates massive opportunities to increase revenue, as vacuum technology plays a major part.	
	Short term	
Markets: new industries	Downstream companies are increasingly introducing ambitious emission reduction targets along the value chain. A low carbon footprint and robust action plans to reduce emissions can lead to advantages over direct competitors and thus greater market share, as potential customers, including government authorities, are expected to use greenhouse gas reduction measures as a weighted criterion for establishing or expanding business relationships.	
	Medium term	
Markets: resilience	Companies that are perceived as less polluting have better prospects of selling their products on the market, as societal expectations in the field of sustainability continue to grow and customer demands may change.	
	Medium term	

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Abbreviations

AC	Audit Committee
AGM	Annual General Meeting
AHK	Auslandshandelskammer
AI	Artificial intelligence
BoD	Board of Directors
BSI	German Federal Office for Information Security
CAGR	Compound annual growth rate
CDP	Climate Disclosure Project
CIP	Continuous Improvement Program
CISA	Cybersecurity and Infrastructure Security Agency
CO_2	Carbon dioxide
CSRD	European Corporate Sustainability Reporting Directive
CTPRM	Cyber Third Party Risk Management
DDTrO	Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor
DMA	Double materiality assessment
EAP	Employee Assistance Program
ECSF	Cybersecurity Skills Framework
EES	Employee Engagement Survey
EHS	Environment, health, and safety
EPD	Environmental Product Declarations
EPIC	Equal Pay International Coalition
ERG	Employee Resource Group
ESRS	European Sustainability Reporting Standards
EUV	Extreme Ultraviolet Lithography
fabs	fabrication plants
FTE	Full-time equivalent
GDPR	General Data Protection Regulation
GEC	Group Executive Committee
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GSE	Global Service
ILO	International Labor Organization
INWED	International Women in Engineering Day
ISMS	Information Security Management System
KPI	Key Performance Indicator
LCA	Lifecycle analysis
LTA	Lost Time Accident
LTIFR	Lost Time Injury Frequency Rate
MSCI	Morgan Stanley Capital International
NCC	Nomination and Compensation Committee
OECD	Organisation for Economic Co-operation and Development
OEM	Original Equipment Manufacturer
PFAS	Per- and polyfluoroalkyl substances
PPE	Personal protective equipment
PSDC	Penang Skills Development Center
RBA	Responsible Business Alliance
REC	Renewable Energy Certificate
RMI	Responsible Minerals Initiative
RODI	Reverse Osmosis De-Ionized
S&P	Standard and Poor's
SAI	Social Accountability International
SBTi	Science Based Targets initiative
SC	Sustainability Committee
SCoC	Supplier Code of Conduct
SDGs	Sustainable Development Goals
SIX	Swiss Stock Exchange
SOP	Standard Operating Procedures
SSCM	Sustainability Supply Chain Manager
STEM	Science, Technology, Engineering, and Mathematics
SUVA	Swiss Accident Insurance Fund
TC	Technology Committee
TCFD	Task Force on Climate-related Financial Disclosures
UNGP	United Nations Guiding Principles on Business and Human Rights
UPW	Ultra-Pure Water
VAP	Validated Assessment Program
VOC	Volatile organic compound
WFE	Wafer fabrication equipment
XHV	Extremely High Vacuum

About this report

VAT Group AG is a public company listed on the SIX Swiss Exchange (VACN). The entity includes VAT Group AG, VAT Group Ltd and VAT Vakuumventile AG. The company has its headquarters in Haag, Switzerland, with manufacturing sites in Haag (Switzerland), Arad (Romania), and Penang (Malaysia), and further sales and distribution sites in North America (USA), Europe (France, Germany, Luxembourg, and UK), and Asia (China, Japan, Singapore, South Korea, and Taiwan). The information published in this report is based on the 2025 calendar year (corresponding to the company's financial reporting year) and covers the whole VAT Group, including all its entities, unless otherwise stated in the dedicated area. The Sustainability Report covers all entities consolidated in the financial reporting. A full list of VAT's entities is available in the VAT Group Annual Report 2025 on page 149.

The Sustainability Report is prepared annually in accordance with the rules and standards of the Global Reporting Initiative (GRI) and fulfills the reporting requirements of the Swiss Ordinance on Climate Disclosures, and the Counterproposal of the Swiss Responsible Business Initiative on transparency on non-financial matters. This Sustainability Report was published on March 3rd, 2026.

Restatements for data from prior years, as well as reasons for restatements, are clearly indicated in the relevant areas. Any restatements result from an improvement of the measurement methodology and represent an information enhancement for the reader.

The Sustainability Report was approved by the company's highest governance body, the Board of Directors. However, no external assurance was performed. The Sustainability Report was externally reviewed by KPMG AG, Zurich, and no evidence was found to dispute compliance with applicable Swiss legislation.

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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.

Continuing to implement our sustainability strategy, embedding it in our daily operations, and working towards our targets will be a priority for 2026.

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. Following our transition plan, we will continue to work towards our SBTi targets, while incorporating environmental criteria early in the product design.

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

Focus 2026