

RUAG Code of Conduct

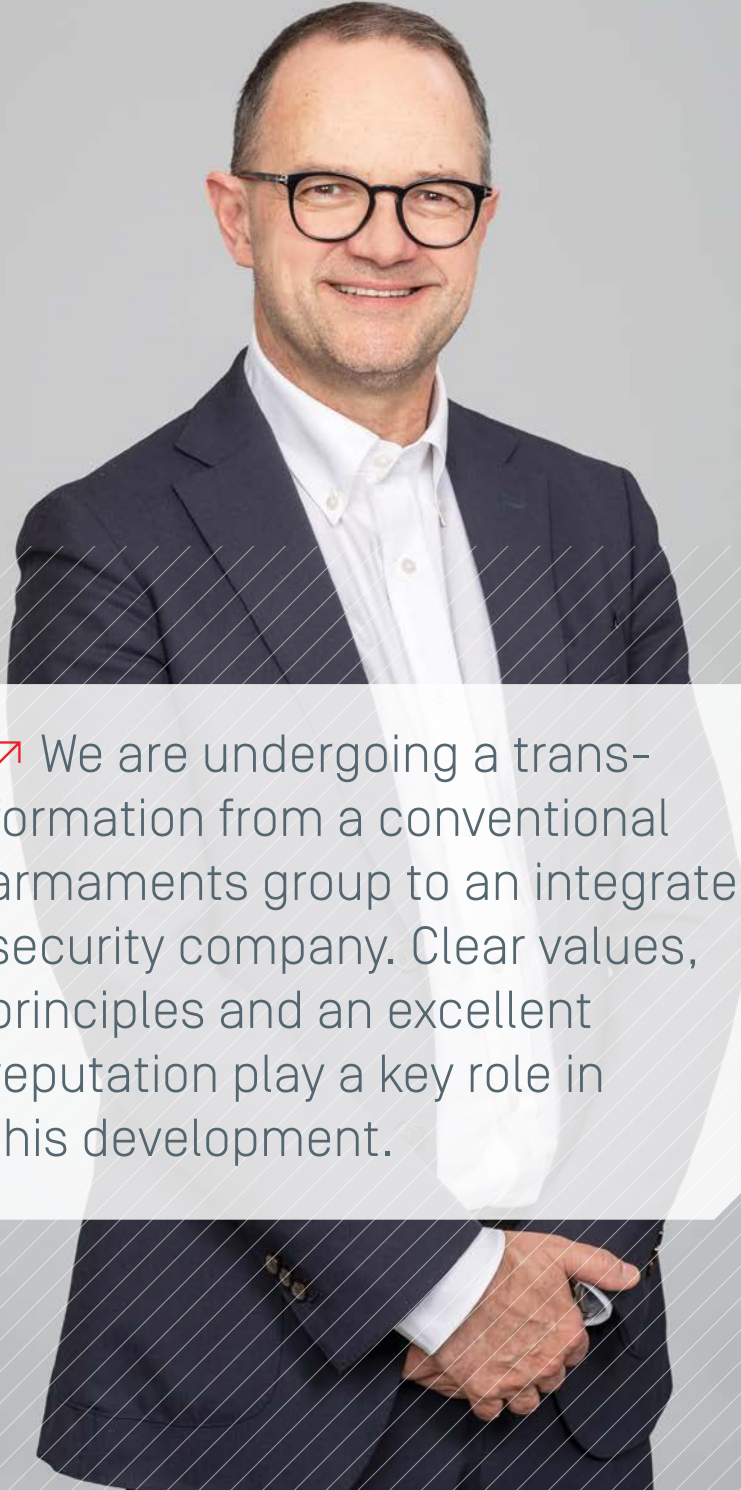


RUAG 

For sovereign security.

CONTENTS

05	Preface
06	Brand Promise and Values
08	Integrity@RUAG
13	Aid to decision-making
14	Scope of application
16	Zero Tolerance of Corruption
18	Fairness in Competition
22	Conflicts of Interest
26	Trade Compliance and Export Controls
29	Equal Opportunities and Non-discrimination
30	Environment, Health and Security
32	Data Protection and Information Security
36	Reporting of Violations and Sanctions
38	Contact



➤ We are undergoing a transformation from a conventional armaments group to an integrated security company. Clear values, principles and an excellent reputation play a key role in this development.

PREFACE

➤ As a federally owned group of companies, RUAG is the most important industry and innovation partner of the Swiss Armed Forces. RUAG's purpose is to contribute to ensuring that the Armed Forces are equipped and that their performance mandate is met. RUAG must also continuously develop third-party business appropriately so that it can support the business with the Armed Forces.

For sovereign security: We work as a team with our customers and partners to ensure a secure future. This characterises the way we work and our deep-rooted sense of responsibility. We cultivate collaborations with our customers and business partners – based on trust, integrity and mutual respect. In our relations with each other and with all stakeholders, our priority is open communication, fairness and respect towards others and the environment. An integral component of this is compliance with all relevant internal and external policies and regulations.

The RUAG Code of Conduct helps us to promote clear values and principles which we can commit to – in the business itself as well as in our dealings with our customers, business partners and suppliers, and in relation to society, policies, government agencies, as well as our shareholder, the Swiss Confederation. Our credibility is based on our Code. Our public reputation rests on adherence to it, and it contributes to ensuring sustainable economic success.



Dr. Jürg Rötheli
Chair of the Board of Directors
RUAG MRO Holding Ltd

➤ FOR SOVEREIGN SECURITY.

We are the technology and innovation partner of the Swiss Armed Forces and make a significant contribution to Switzerland's security, day after day. Security is a cornerstone of the Swiss Confederation – but it cannot be taken for granted, which is why it is our driving force. Our achievements ensure that our customers can complete their missions on land and in the air – both today and in the future. For sovereign security.

Success comes to those who anticipate the needs of their environment on equal footing and with appreciation. To achieve this, we have a formative, innovative and courageous culture based on trust as well as ethical behavior that follows the rules.

An established value system and a corporate culture are the foundation of our work philosophy and thus also for the implementation of our strategy.



➤ SWISS

Our Swiss approach requires diversity – a diversity of sites, cultures, viewpoints, occupations, competences and experiences. We at RUAG are committed to respectful conduct and to maintaining Swiss values. We do this for the sake of current and future generations. Quality, precision, innovation and pioneering achievements secure our sustainable economic success.



➤ TRANSPARENT

Transparency is the foundation of trustful and reliable relationships. It presupposes an open and honest dialog and encourages a culture of constructive error handling, which in turn makes innovations possible. Transparency relates to one's own actions and organizational processes.



➤ RESILIENT

Resiliency means resistance, or successfully being able to deal with crises and attacks. Our services in all situations within the Swiss security union are thus characterized by resiliency. It is part of our daily activities and every decision.



➤ AGILE

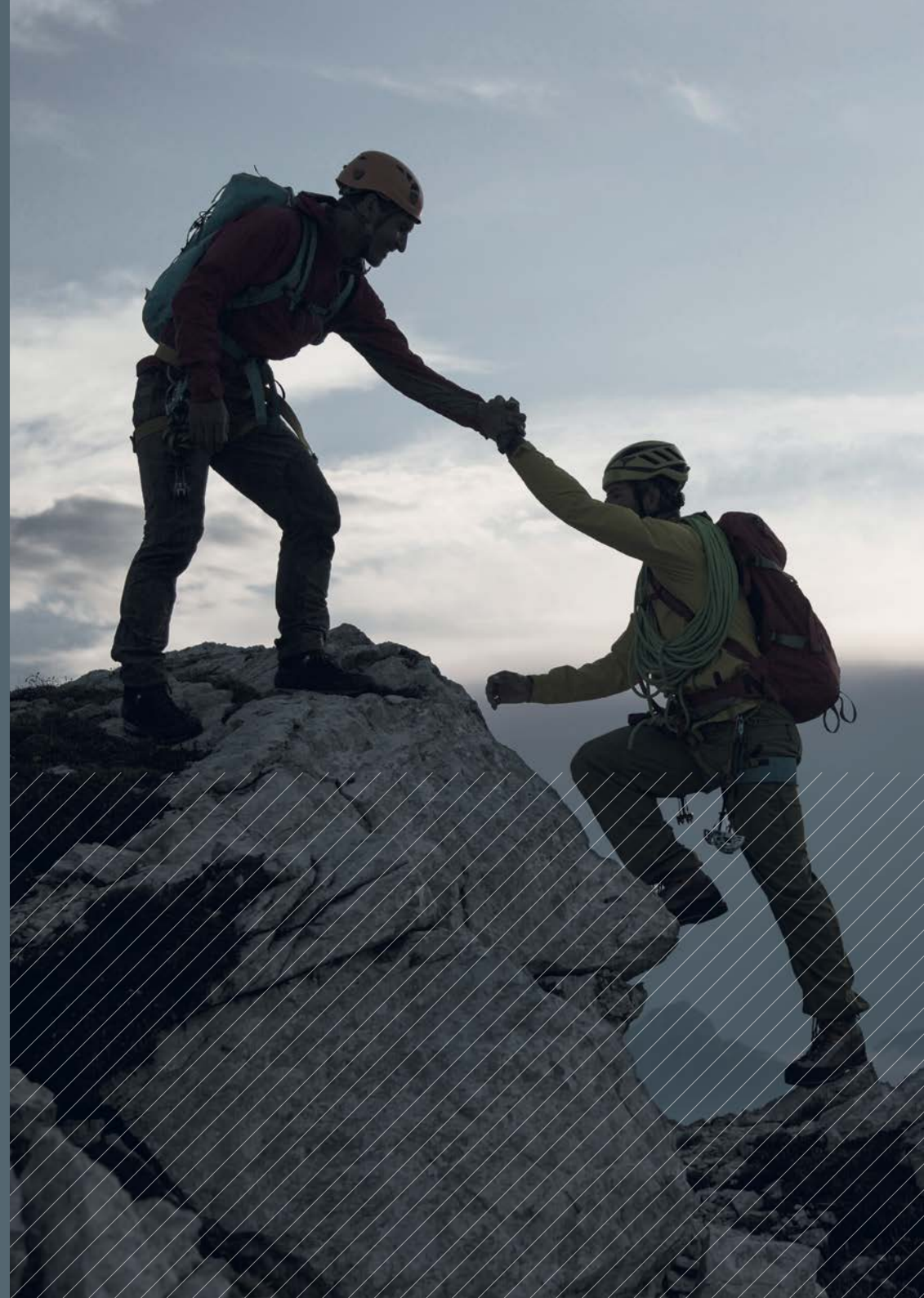
We are open to new things, flexible and capable of adapting. We shape our future ourselves. At the same time, we acknowledge that the working world is becoming increasingly complex. We will face this state of affairs with courage and a willingness to experiment. The uniqueness of our agility lies in its coexistence with resiliency.



➤ AMBITIOUS

We set high goals for ourselves. Mediocrity isn't an option for us. In our domains, we're leaders in technology, competence and innovation. We leave our comfort zone, are solution-oriented and strive for the best.

We deliver on the trust placed in us, every day. We aim high, act responsibly, keep our word, and adhere to the appropriate external and internal policies.



The 10 Golden Rules

01

We act in a professional, solution-oriented and responsible manner.

02

We create trust and justify the trust placed in us.

03a

We keep our word – we say what we do and we do what we say.

04

We are reliable, act honourably, communicate openly, and are responsible for our own actions.

05

We guard the commercial secrets entrusted to us.

06

We are honest and open about our mistakes. We learn from our errors in order to grow as a company.

07

We communicate openly with our colleagues about mistakes, so that together they can be rectified.

08

We achieve competitive success through effort, competency, quality and innovation – always for the long-term and sustainably.

09

We comply with the appropriate external and internal policies, even in challenging situations and in difficult markets.

10

We do not flout or ignore these basic principles for business gain.



AID TO DECISION-MAKING

In cases of doubt, RUAG employees should ask themselves the following control questions:

- 01 Would I be happy to see my behaviour discussed in the media or in the press?
- 02 Would I be happy to have to explain my actions to management?
- 03 Would there be compliance with regulations, if my colleagues were to act this way?
- 04 Would I be happy to tell family members or my significant others about my actions?
- 05 Would our customers approve of my actions?

If the answer to any one of these questions is “No”, then the employee should think again!

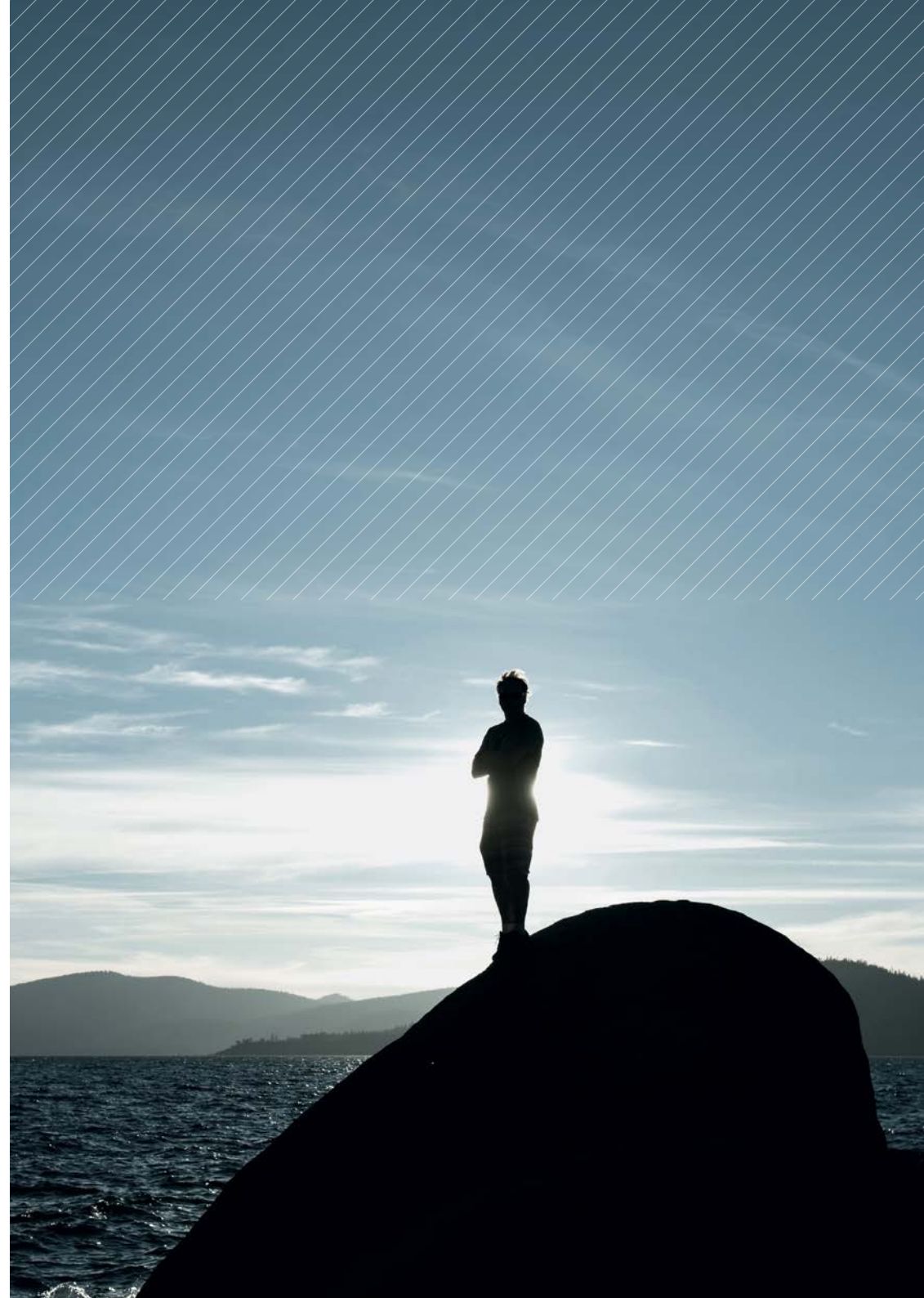
SCOPE OF APPLICATION

This Code of Conduct applies world-wide, wherever and whenever RUAG is doing business.

➤ The policies in this Code of Conduct apply to the Board of Directors, management and all employees.

A core function for all managers is to ensure compliance with the Code of Conduct within their section. This includes setting a good example in terms of compliance issues, making all employees aware of the core policies of the Code of Conduct, and being on hand to instruct and advise them.

RUAG expects all business partners to comply with the Code of Conduct, and reserves the right to terminate the business relationship in the case of violations of the Code by business partners.



RUAG has a zero tolerance policy with regard to corruption and will therefore decline any form of bribery, corruption or any other corrupt practice.

➤ **WHAT WE ARE COMMITTED TO**

A gift/benefit must be legal, impartial, appropriate, proportionate and transparent.

Gifts, hospitality or other types of benefit will only be offered, given or accepted, in good faith and only inasmuch as these are commensurate with usual business hospitality practice and RUAG internal policies.

RUAG does not make any donations to political parties.

➤ **WHAT IS NOT PERMISSIBLE**

It is not permitted to offer, give or accept a gift/benefit with the intention of, or which has the effect of, influencing the decision-making processes of a business partner or an official.

In the same way, no gift/benefit will be accepted which could influence the company's own decision-making.

No gifts/benefits which are inappropriate or of a disproportionately high value will be offered, given or accepted.

In particular, the offering or giving of gifts/benefits to officials to carry out or expedite the performance of their routine official duties of a non-discretionary nature [so-called facilitation payments] is prohibited. Exceptions are possible where there is danger to life or limb or personal safety.

RUAG is convinced that innovation, technological progress and ongoing improvements in quality are driven by a functioning market and competition. Therefore RUAG operates as a fair and responsible competitor.

➤ **WHAT WE ARE COMMITTED TO**

RUAG employees therefore have contact with competitors if required for legal business purposes.

All employees ensure that in communications and correspondence with competitors, no information is exchanged which permits inferences to be made regarding the present or future actions of RUAG or its competitors.

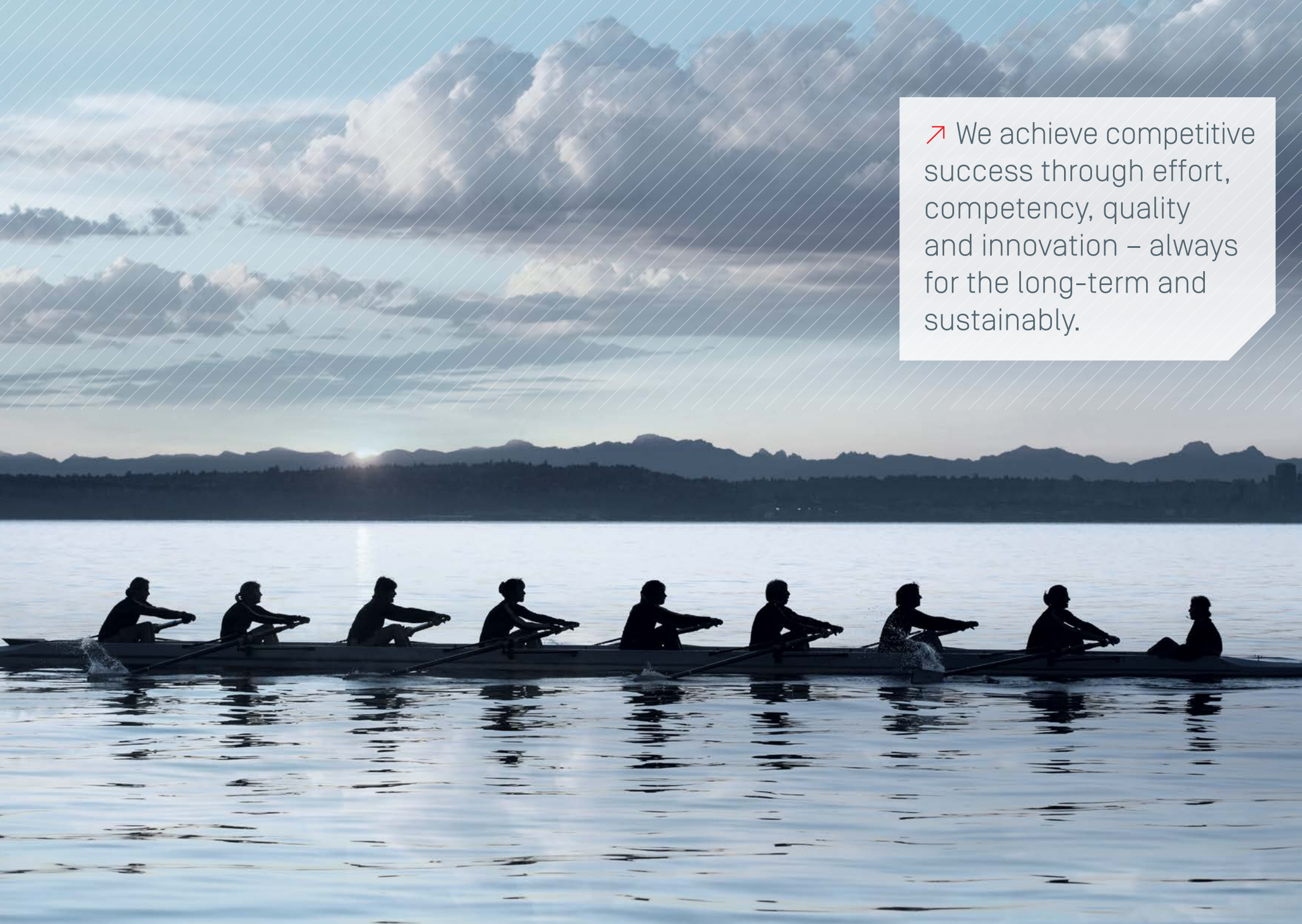
RUAG employees will inform the appropriate management immediately of any attempt by a competitor to exchange competition-relevant information or to coordinate anticompetitive behaviours, in order that the management, together with the relevant compliance officer, can document in writing that no violation took place. The sharing of such information, apart from with the relevant compliance officer, is prohibited.

➤ **WHAT IS NOT PERMISSIBLE**

Adjusting prices or other conditions with competitors is prohibited.

No marketing-sensitive information is to be exchanged with competitors.

Insofar as RUAG has a leading market position, RUAG will not abuse, this market position: in particular, it will not discriminate against customers or hinder competition.



↗ We achieve competitive success through effort, competency, quality and innovation – always for the long-term and sustainably.

RUAG employees must avoid situations where private interests are in conflict with RUAG's interests as a business, or there is a risk of this.

➤ **WHAT WE ARE COMMITTED TO**

Employees finding themselves in an actual or potential conflict of interest have a duty to disclose this situation to their line manager and report it to the relevant compliance officer. The reported conflict of interest is to be documented in writing. This also applies even if there only appears to be a conflict of interest.

All employees are committed to being careful and cost-conscious in the handling of RUAG's business assets, and in particular to ensure that these are not misused for personal ends.

The management must be informed of any voluntary activities and paid additional employment outside of RUAG which might adversely impact the employee's work for RUAG, in order to ensure that appropriate measures can be put in place to avoid a conflict of interest.

➤ **WHAT IS NOT PERMISSIBLE**

Unless specifically allowed in special cases, employees' work time and property belonging to RUAG must not be used for private purposes.

An employee's position at RUAG must not be used for personal gain or to the personal advantage of relatives or friends.

➤ We are reliable,
act honourably,
communicate openly,
and are responsible
for our actions.



RUAG carries out its responsibility as an internationally active security company for civil applications for defense and security.

➤ **WHAT WE ARE COMMITTED TO**

In the international trade and exchange of goods, RUAG complies with the national and international regulations of the customs, tax and export control authorities, as well as with official directives and international agreements.

All RUAG applications are supplied only to clearly identified and legitimate business partners and end users, and so makes a contribution to security, autonomy and stability.

All exports of our applications – irrespective of the location they are supplied from – are carried out within the framework of international law, Switzerland's international obligations, and the tenets of Swiss foreign policy. This also includes civil goods, which are not directly subject to export controls, but are subject to sanctions and embargoes.

➤ **WHAT IS NOT PERMISSIBLE**

RUAG employees do not complete customs declarations, tariff values or declarations of origin without prior verification.

RUAG employees do not carry out the exporting of controlled goods without first fulfilling the export control requirements.

An export permissible according to the regulations and laws from a specific location is prohibited according to this Code of Conduct if Swiss export control laws are not followed – i.e. in relation to the export of war material and dual use goods – and if the legal obligations in relation to private foreign security forces are not adhered to.



EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

RUAG offers all employees the same opportunities and condemns any form of discrimination, harassment or bullying.

➤ WHAT WE ARE COMMITTED TO

RUAG expects all employees to treat each other fairly and respectfully, irrespective of any potential differences or varying personal views.

RUAG promotes an inclusive culture and does not tolerate any discrimination on the grounds of age, ethnic origin, ideology, religion, skin colour, nationality, political or other beliefs, gender, sexual orientation, physical condition, marital status, or membership of an employee association.

All pay levels reflect the current national legal norms and industry standards. Pay levels acknowledge employee performance and are explained in regular feedback.

RUAG strives to continuously improve its processes, products and services – while taking into consideration the environment, as well as the health and safety of its employees.

➤ **WHAT WE ARE COMMITTED TO**

RUAG is committed to acting as a role model and pioneer when it comes to sustainability. In line with the objectives of the Federal Government and the cantons, RUAG aims to achieve a climate neutral business by 2050.

As an employer, RUAG ensures a healthy and safe working environment and safeguards its employees from excessive exposure to chemical, biological and physical hazards.

All employees comply with the internal policies on health and safety in the workplace. In this way, they also have a responsibility for their colleagues' health and safety.

All employees actively contribute in their own work environment to the ongoing improvement of the health and safety of the workplace, support economic progress and assume responsibility for their fellow humans and the environment.

RUAG observes the relevant data protection legislation and is committed to protect and respect confidentiality when handling information entrusted by its business partners and employees.

➤ **WHAT WE ARE COMMITTED TO**

RUAG collects, compiles, stores, processes and uses personal data only insofar as is necessary for permitted business purposes. In doing so, RUAG follows the statutory basis or acts with the person(s) concerned. In this way, RUAG respects and protects employee privacy.

RUAG employees are required to treat as confidential company and other business and trade secrets they are entrusted with as part of their work, or which they become aware of by any other means, and – where mandatory – to keep them secret. This applies in particular to information regarding technologies and manufacturing, research and development processes, as well as to trading and financial data and customer information.

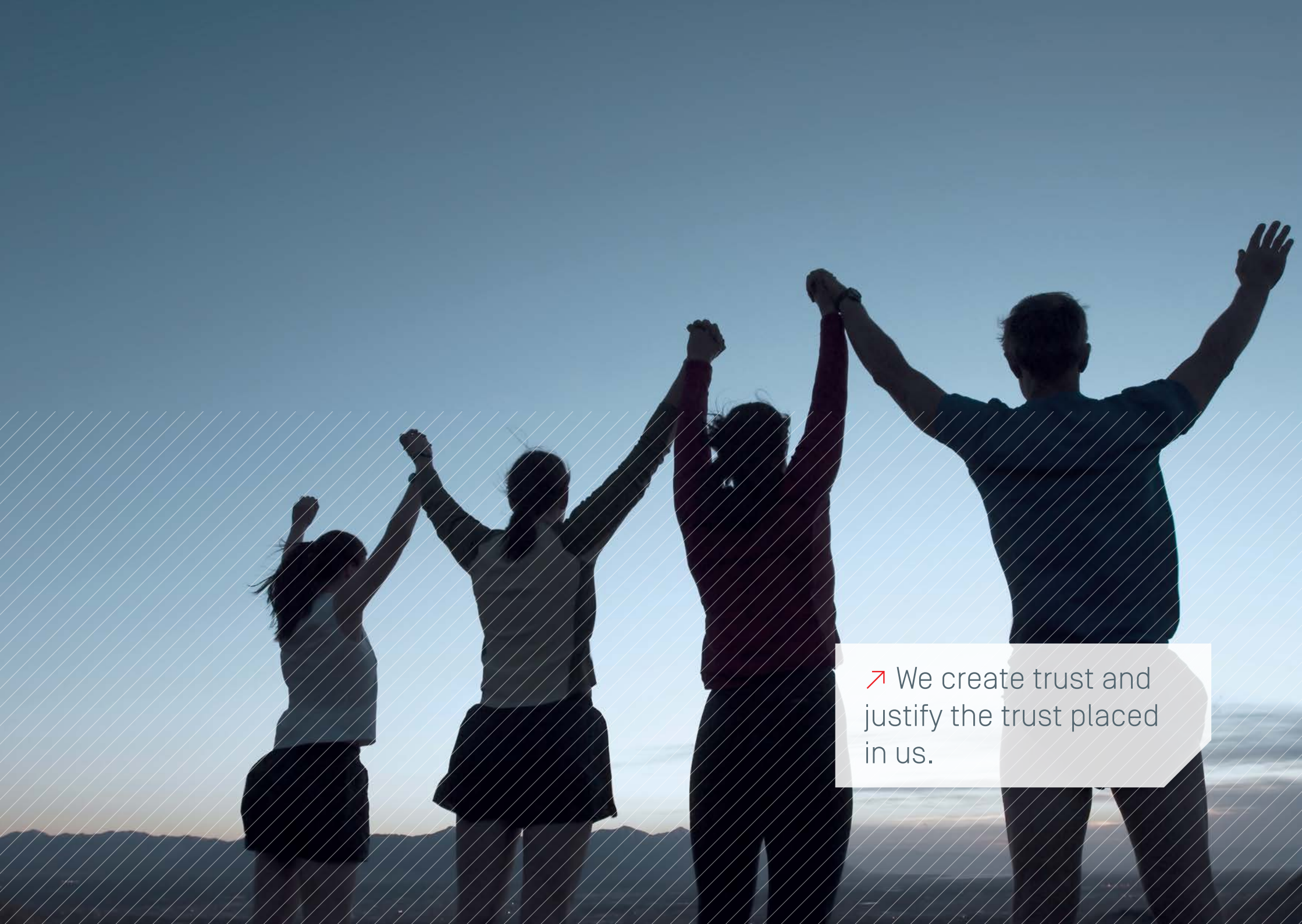
By technical means and through organisational measures, RUAG ensures that personal data as well as other business data and information is safeguarded from unauthorised access.

All RUAG employees comply with the internal policies when working with computing and communication systems and with regard to the safeguarding of information.

➤ **WHAT IS NOT PERMISSIBLE**

Confidential business information belonging to RUAG or business partners, or personal data from employees or partners, will not be passed to any third party without authorisation.

RUAG's company data and information and its computing and communication systems may not be used for improper or unlawful purposes, nor contrary to internal policies.



➤ We create trust and justify the trust placed in us.

Violations of the Code of Conduct or the applicable law will not be tolerated and will be appropriately sanctioned. All employees are encouraged to report information regarding violations without delay.

➤ RUAG employees are urged to openly voice their concerns if they believe in good faith that the behaviour of another employee or a third party is or could be in contravention of this Code of Conduct or an applicable law.

The employee should at the same time have an objective basis for their claim in order to show that the reported information and associated allegations are essentially true.

Any kind of retaliation against employees who report known or suspected violations of the Code of Conduct or applicable law in good faith will not be accepted and will be appropriately sanctioned.

Reports intending to falsely accuse colleagues or management will not be tolerated. Such actions are in any case a violation of the Code of Conduct and will be appropriately sanctioned.

Sanctions can range from cautions and warnings to termination without notice, as well as civil lawsuits and criminal charges, depending on the severity of the violation. It also constitutes a violation of the Code of Conduct to knowingly overlook infringements of the Code by others, or to hinder the reporting of violations.

CONTACT

➤ To report known or suspected violations of the Code, employees should contact:

- 01 Manager
- 02 HR Contact Person
- 03 Compliance Officer
- 04 General Counsel

➤ **INTEGRITY LINE**

In addition, RUAG employees can use the external Integrity Line, which gives the option of filing an anonymous report.

The contact information is on the intranet and on the RUAG website. The external Integrity Line and the compliance officer, as well as the General Counsel, can keep the identity of the employee reporting a known or suspected violation strictly confidential.

RUAG MRO Holding Ltd
Stauffacherstrasse 65
3000 Bern 22
Switzerland

ruag.ch