



The RUAG Code of Conduct



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Foreword

RUAG is committed to continued sustainable expansion of its market position.

The basis for this is an outstanding reputation. Clear values and principles determine our daily thoughts and actions.



Remo Lütolf
Chairman of the Board of Directors



Urs Breitmeier
CEO

Collaboration, high performance and visionary thinking – these are the values that represent RUAG.

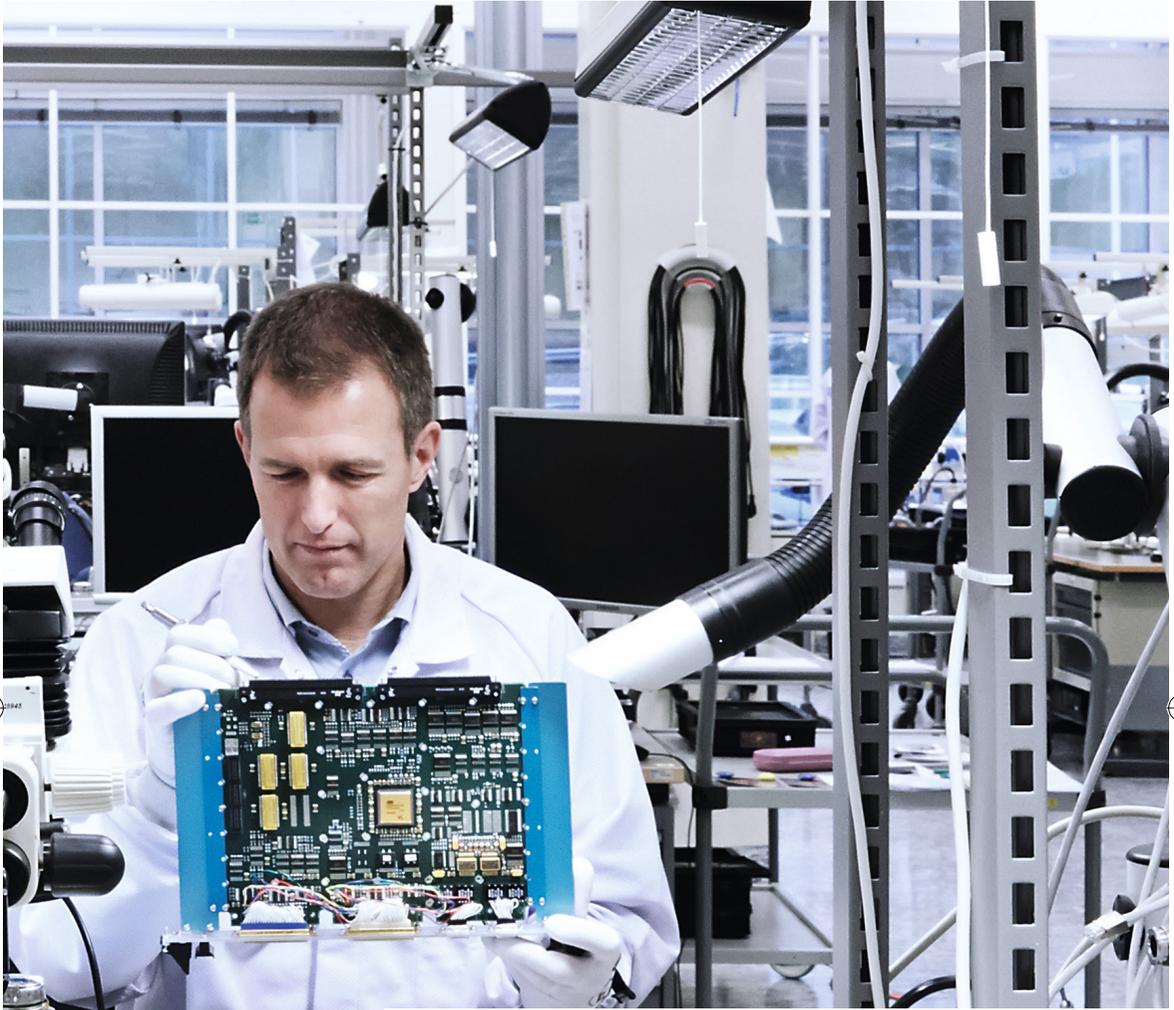
For RUAG, business relations with customers and business partners are based on integrity and partnership, trust and mutual respect. Neglecting or disregarding these basic rules in the interest of securing business success is against our corporate culture.

Striving for the highest quality, uncompromising customer and service orientation, and continuous further development create the common foundation on which we act when working together and with all stakeholders, as do a sense of responsibility, open communication, fairness, transparency, and respect for people and for the environment.

The RUAG code of conduct helps us to maintain the clear values and principles to which we commit ourselves – in the group itself, and also with regard to customers, business partners, suppliers, society, political stakeholders, officials, and not least to our shareholder, the Swiss Confederation.

Our credibility is based on the code. It sustainably shapes our good name with the public, and therefore also our financial success.





We stand out from our competitors by virtue of our performance, expertise, quality and innovation.



Our Values

RUAG's values describe our identity and our character. They form the basis for our behaviour today and in the future.

This Code of Conduct helps us to live by the clear values and principles to which we are committed – within the Group but also towards our customers, business partners, suppliers, the communities we form part of, politics, authorities and also towards our shareholder, the Swiss Confederacy.

For RUAG, an act or behaviour is therefore only permitted if it complies with the applicable law and is in line with this Code of Conduct.



Brand Promise

We listen to make it right.
We stay to make it real.
A promise you can trust.

RUAG develops trailblazing innovations and internationally sought-after, cutting-edge technology in the fields of aerospace and defence. Based on strong ethical beliefs and historically rooted in the Swiss Armed Forces, RUAG combines outstanding technological expertise with a high degree of foresight and responsibility. Thus it helps create and safeguard the main pillars of prosperous societies: security and progress.

At RUAG, we make it our business to understand our customers' needs. We listen and accompany them every step of the way to find and create the right technological solutions. By delivering consistently high-quality and reliable performance, we generate the value that keeps our customers coming back.

Integrity@RUAG

Each day, we justify the trust that is placed in us. We set ourselves ambitious targets, act responsibly, keep our word and follow the rules.



The 10 Golden Rules

- 01** We adopt an entrepreneurial mindset and act responsibly.

- 02** We engender trust and justify the trust that is placed in us.

- 03** We keep our word by saying what we do and doing what we say.

- 04** We act honestly, communicate openly and stand by our own behaviour.

- 05** We keep all business secrets that we are entrusted with

- 06** We are sincere and openly communicate our mistakes. We learn from our mistakes and pass on this experience to our colleagues.

- 07** We address errors with our colleagues with the aim of working on correcting them together.

- 08** We stand out from our competitors by virtue of our performance, expertise, quality and innovation.

- 09** We follow the rules – including and in particular in difficult situations and market conditions.

- 10** We do not neglect or disregard these ground rules in the interests of securing business success.

Guiding questions

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

1. Would I feel comfortable if my conduct could be viewed online or on television?
Or if I read about it in the newspaper?
2. Would I feel comfortable if I were required to explain my conduct to my manager?
3. Would my manager or colleague be adhering to the compliance rules if they conducted themselves like I do?
4. Would I feel good about telling family members or other individuals who are close to me about my conduct?
5. Would our customers approve my conduct?

Anyone who answers “no” to any of these questions must change their conduct!

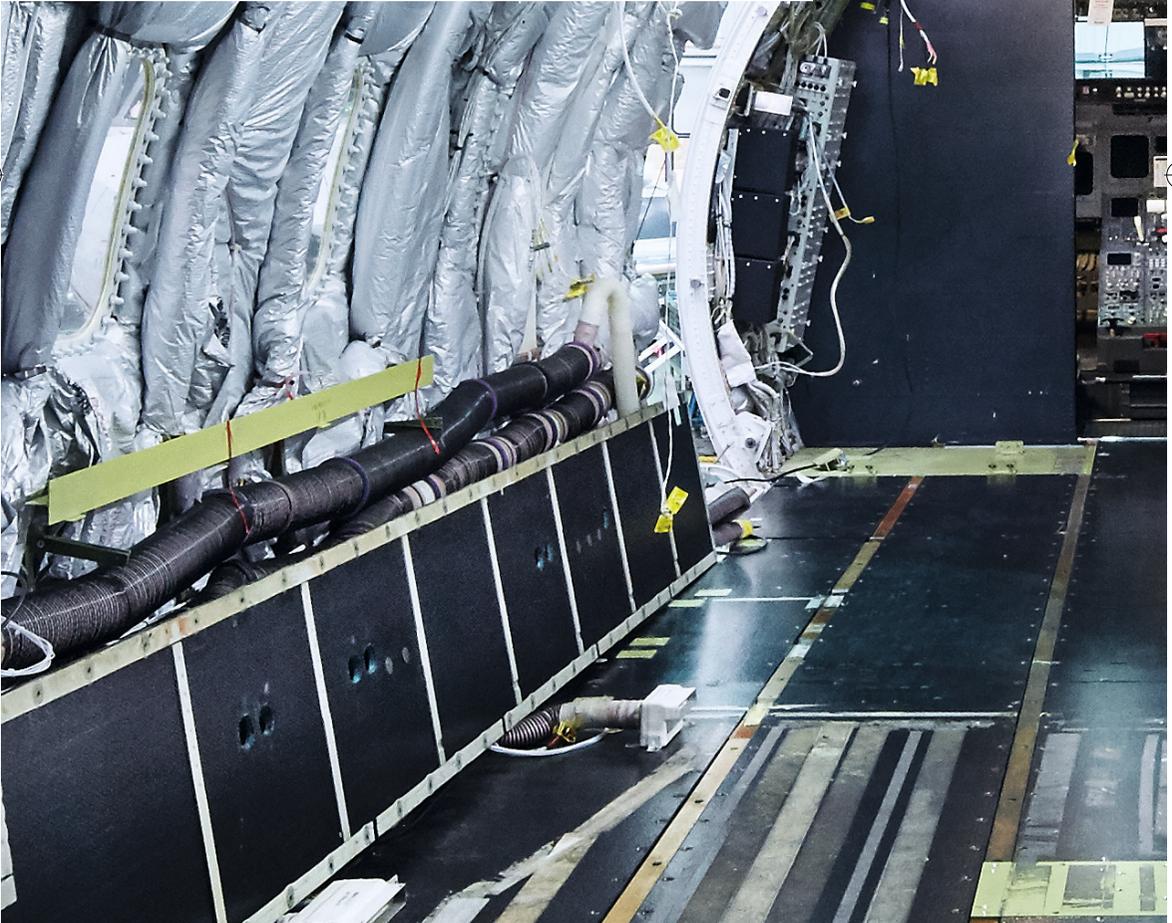
Application

This code of conduct applies across the globe wherever and whenever RUAG operates.

The rules of this code of conduct are binding for the Board of Directors, Group Executive Board and all employees.

It is a central task of our managers to ensure that this code of conduct is complied with in their area. This includes setting a good example on compliance issues, demonstrating the essence of the code of conduct to all employees and providing them with guidance and advice. RUAG also expects all of its business partners to adhere to this code of conduct and reserves the right to terminate its business relationship with a business partner in the event of any compliance violations.

We follow the rules - especially in difficult situations and market conditions.





Zero tolerance for corruption

RUAG applies a zero tolerance policy to corruption and rejects any form of bribery or any other corrupt behaviour.

What we are committed to

Benefits must always be of a lawful, neutral, suitable, appropriate and transparent nature.

Gifts and entertainment or other benefits should only be offered, given or received in good faith and only if they are appropriate and in-keeping with customary business hospitality and are in compliance with RUAG's own rules. RUAG makes no donations to political parties.

What we are not allowed to do

It is prohibited to offer, provide or accept a benefit with the intention or effect of influencing the decision-making process of a business partner or public official.

In the same way, no benefits may be accepted that could influence RUAG's own decision-making process.

No gifts of an exaggerated value or other inappropriate gifts may be offered, given or accepted.

In particular, it is also prohibited to offer or provide benefits to public officials for routine governmental action in order to initiate or expedite performance of duties of non-discretionary nature (facilitation payments). Exceptions may apply in case of danger to personal health and safety.

Fair competition

RUAG is convinced that functioning markets drive innovation, technological progress and the continuous improvement in quality. For this reason, RUAG acts as a fair and responsible competitor.

What we are committed to

RUAG employees maintain contacts with competitors only if this is required for a legally permissible business purpose.

All employees must ensure that no information is exchanged in communication and correspondence with competitors that could permit conclusions to be drawn about RUAG's current or future market behaviour or that of competitors.

RUAG employees must notify the responsible managers immediately of any attempts by competitors to exchange market relevant information or attempts to enter into any competition restricting agreements, so that the manager and responsible compliance officer can document in writing that no violation has taken place. Such information from competitors may not be forwarded, except to the responsible compliance officer.

What we are not allowed to do

It is prohibited to agree with competitors on prices or other marketing conditions.

No market relevant information may be exchanged with competitors.

RUAG will not abuse any dominant market position it may hold and in particular will not discriminate against any customers or obstruct any of its competitors.

Conflicts of interest

RUAG employees must avoid situations in which their personal interests are in conflict with those of RUAG as a company or where such a risk exists.

What we are committed to

Employees who find themselves actually or potentially confronted with a conflict of interest must report this immediately to their direct manager. This also applies in the case of the mere appearance of the existence of a conflict of interest.

If there are personal interests in a business situation that do not, however, conflict with the interests of RUAG as a company, this must be documented in writing together with the direct manager and responsible compliance officer.

All employees are obliged to make careful and economical use of RUAG's business assets and must in particular ensure that these are not misused for private purposes.

Voluntary activities or paid secondary employment outside of RUAG that may impair the work for RUAG needs to be disclosed to the responsible manager to ensure that the right measures can be taken to avoid a conflict of interest.

What we are not allowed to do

Unless expressly permitted in an individual case, employees may not use their working time or RUAG property for personal use.

An individual may not abuse their own position at RUAG for their own personal advantage or for the advantage of relatives or friends.

Trade compliance and export controls

RUAG fulfils its responsibilities as an international provider of civil and military applications for aerospace and defence.

What we are committed to

RUAG complies with the regulations of national customs and tax authorities and of international agreements when engaging in international trade.

RUAG supplies military and dual-use applications only to identified, reputable business partners and in so doing makes a contribution to security, independence and stability.

RUAG strictly adheres to the applicable national and international regulations and laws and to instructions issued by the authorities.

Irrespective of their place of manufacture, all exports of military and dual-use applications must be in compliance with international law, Switzerland's international obligations and the principles of Swiss foreign policy.

What we are not allowed to do

RUAG employees may not issue any customs declarations, customs values or certificates of origin without prior verification.

Any export of goods that is permissible from a specific location in accordance with the applicable local regulations and laws is prohibited under this code of conduct if it would not have been permitted from a Swiss location in accordance with Swiss regulations and export control practice.

Equal opportunities and non-discrimination

RUAG offers all employees equal opportunities and condemns any form of discrimination, harassment or mobbing.

What we are committed to

RUAG expects all of its employees to interact with each other in a respectful manner, irrespective of any differences and diverging personal views.

RUAG promotes a culture of integration and does not tolerate any discrimination on the grounds of age, ethnic origin, philosophy, religion, skin colour, nationality, political or other convictions, gender, sexual orientation, physical condition, marital status or affiliation with employee representative bodies.

All salaries comply with the respective national legislation and industry standards. Salaries are paid as a reward for employee performance and explained in regular feedback sessions.

Health and safety

All RUAG employees have the right to work in a healthy and safe working environment.

What we are committed to

In its capacity as employer, RUAG ensures a healthy and safe working environment and protects its employees against any excessive exposure to chemical, biological and physical risks.

All employees shall comply with the internal rules applicable to health and safety at the workplace. In so doing, they carry a shared responsibility for the health and safety of their colleagues.

All employees shall contribute actively in their individual working environment to the ongoing improvement in health and safety at the workplace.

Information and information security

RUAG observes applicable data protection legislation and undertakes to protect and keep confidential all information entrusted to the Group by its business partners and employees.

What we are committed to

RUAG gathers, stores, processes and uses personal data only for permissible business purposes or insofar as required and always only on a legal basis or with the consent of the individuals in question.

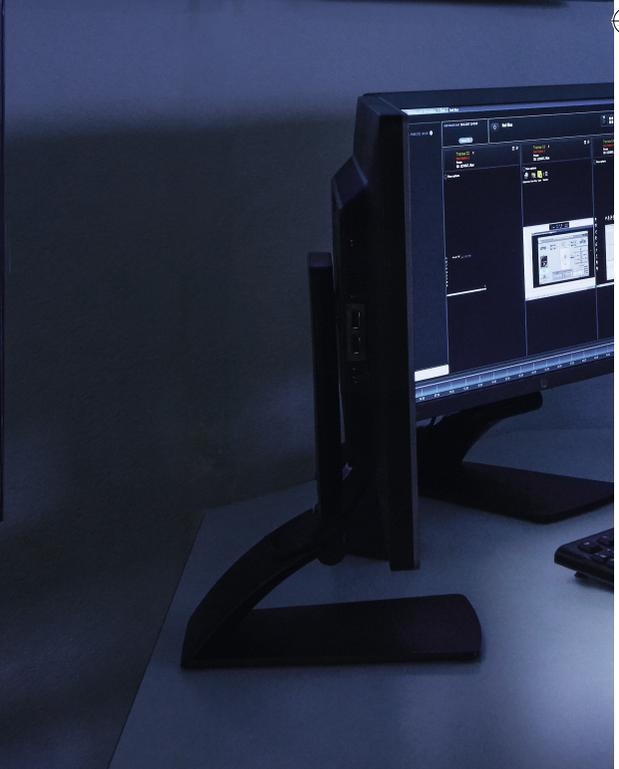
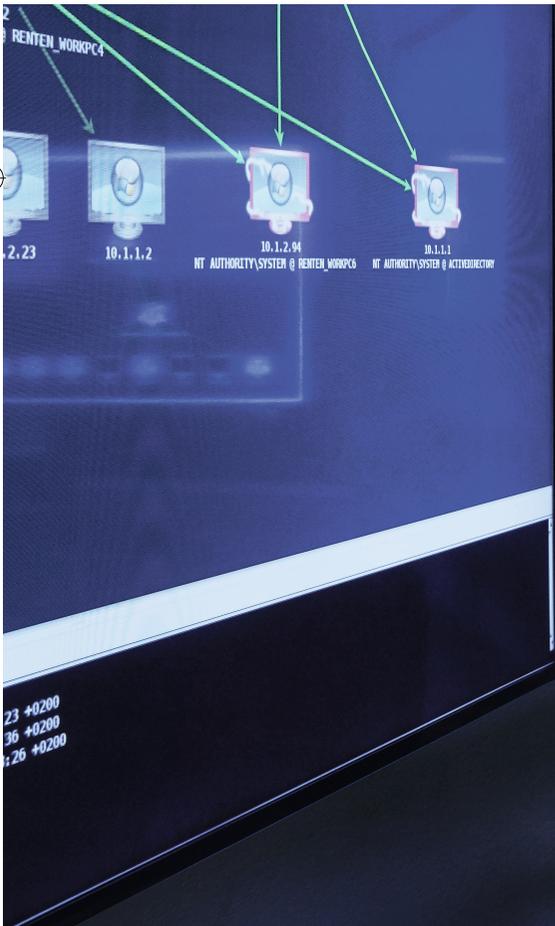
RUAG employees are obliged to keep confidential and – where prescribed – not disclose any proprietary or third-party business and trade secrets with which they have been entrusted or of which they have become aware in the course of their employment. This applies in particular to information about technologies or manufacturing, research and development processes and to business and financial data as well as customer information.

What we are not allowed to do

Confidential business information about RUAG or any of its business partners and personal data of employees or business partners may not be passed on to third parties without authorisation.



We do not neglect or disregard these ground rules in the interests of securing business success.





Sanctions and reporting of violations

In accordance with our values, all employees are encouraged to report immediately any information about violations of this code of conduct or of any applicable legislation. Violations of this code of conduct are not acceptable and will be appropriately sanctioned.

Depending on the severity of the violation in question, such sanctions may range from reprimands and warnings to immediate dismissal and to civil claims for compensatory damages and criminal prosecution. Deliberately ignoring any infringements of the code by others or obstructing any investigation of violations is also considered a violation of the code of conduct. Employees should have an objective reason to assume that the information they pass on and all related allegations are essentially true. Employees who report known or suspected violations in good faith are protected against any retaliation. Any type of retaliation against employees who have reported violations in accordance with these principles constitutes a clear and serious violation of this code of conduct and will be appropriately sanctioned.

In contrast, reports made with the aim of wrongly accusing colleagues or managers will not be tolerated. Such conduct always constitutes a violation of this code of conduct and will be appropriately sanctioned.

Contact

Employees can report any known or suspected violations of this code of conduct to the following contact persons:

1. Managers
2. HR managers
3. Compliance officers
4. General Counsel

Integrity Line

In addition, RUAG employees may also use the external Integrity Line. Contact information can be found on the intranet and the RUAG website.

The external Integrity Line, the compliance officers and General Counsel can ensure that the identity of any employees reporting known or suspected violations of this code of conduct are treated strictly confidential.



