

A man and a young child are working on solar panels. The man is kneeling and using a screwdriver to work on a panel. The child is standing next to him, also holding a screwdriver. The solar panels are blue and mounted on a roof. The background shows green trees and a clear blue sky.

SUSTAINABILITY REPORT 2022–2023

Safer, Smarter and More Productive



VPG enables its partners
to produce products that
make the world
**safer, smarter and
more productive.**

CEO LETTER

Ziv Shoshani
President,
Chief Executive
Officer



Welcome to VPG's first ever sustainability report, and our ESG (Environmental, Social, and Governance) journey.

In the past two years since we formally launched our ESG program, we have made significant strides in how we consider, develop, measure, and report on ESG matters and are continuing to integrate it into our business.

This report provides detail on ESG and sustainability initiatives across VPG, while highlighting the ESG risks we are mitigating and the areas we are dedicated to improving.

The commitment to ESG principles is deeply embedded in our corporate strategy and values. Our Board of Directors and I are proud of the dedication shown by our ESG Committee and supporting cross-functional teams across the organization. Their efforts are aimed at not only advancing our ESG and our sustainability goals, but also enhancing our resilience and competitiveness in a rapidly evolving global landscape.

This report is a testament to our pledge of accountability and transparency. It underscores our belief that sustainable business practices are essential for long-term value creation, benefiting our stockholders, employees, customers, and the communities in which we operate.

As we continue this journey, we remain committed to keeping you informed. We look forward to updating you regularly on our progress.

Thank you for your continued support and partnership as our precision measurement and sensing technologies help make our customers' products and processes safer, smarter and more productive.

Sincerely,

A handwritten signature in black ink that reads "Ziv Shoshani". The signature is stylized with a large, bold "Z" and a cursive "Shoshani".

Ziv Shoshani
President and Chief Executive Officer

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ABOUT VPG



ABOUT VPG

VPG enables its partners to produce products that make the world safer, smarter and more productive

VPG is a global leader in precision measurement sensing technologies. VPG addresses an expanding array of applications in which accuracy, reliability and repeatability make the difference.

Driven by innovation, our precision measurement sensing technologies begin with deep engineering

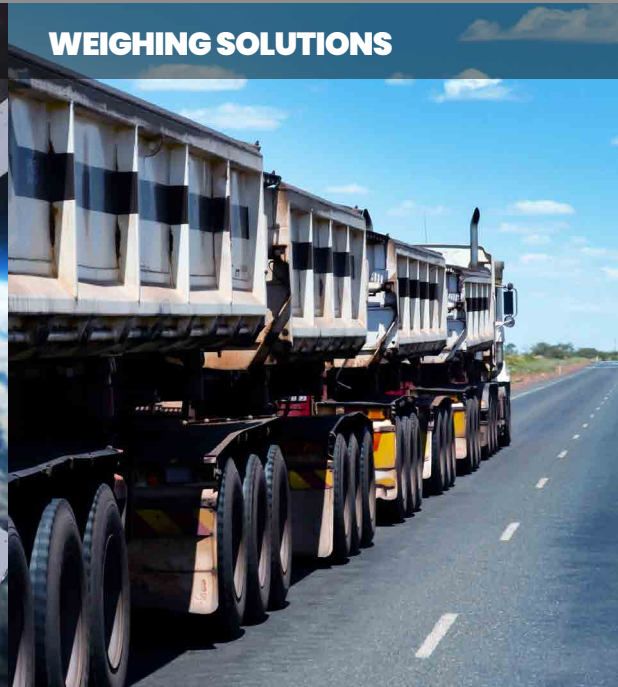
and applications expertise to provide specialized solutions in a broad range of markets, including test and measurement, avionics, military and space, transportation, steel, industrial, medical, agriculture, and consumer.

VPG OPERATES IN REPORTING SEGMENTS :

SENSORS



WEIGHING SOLUTIONS

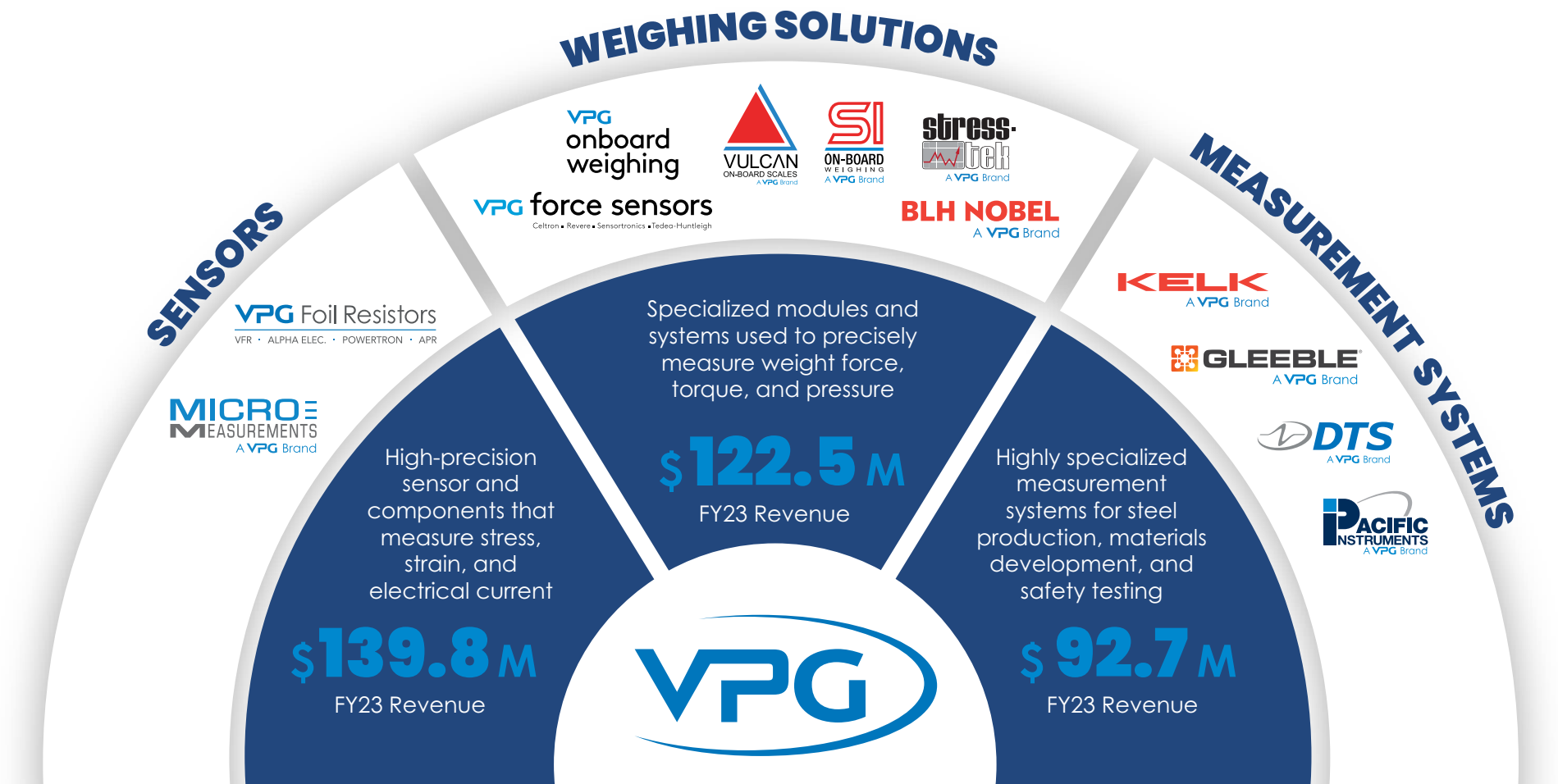


MEASUREMENT SYSTEMS



VPG BUSINESS PORTFOLIO

Sustaining leadership across our markets



Key competencies

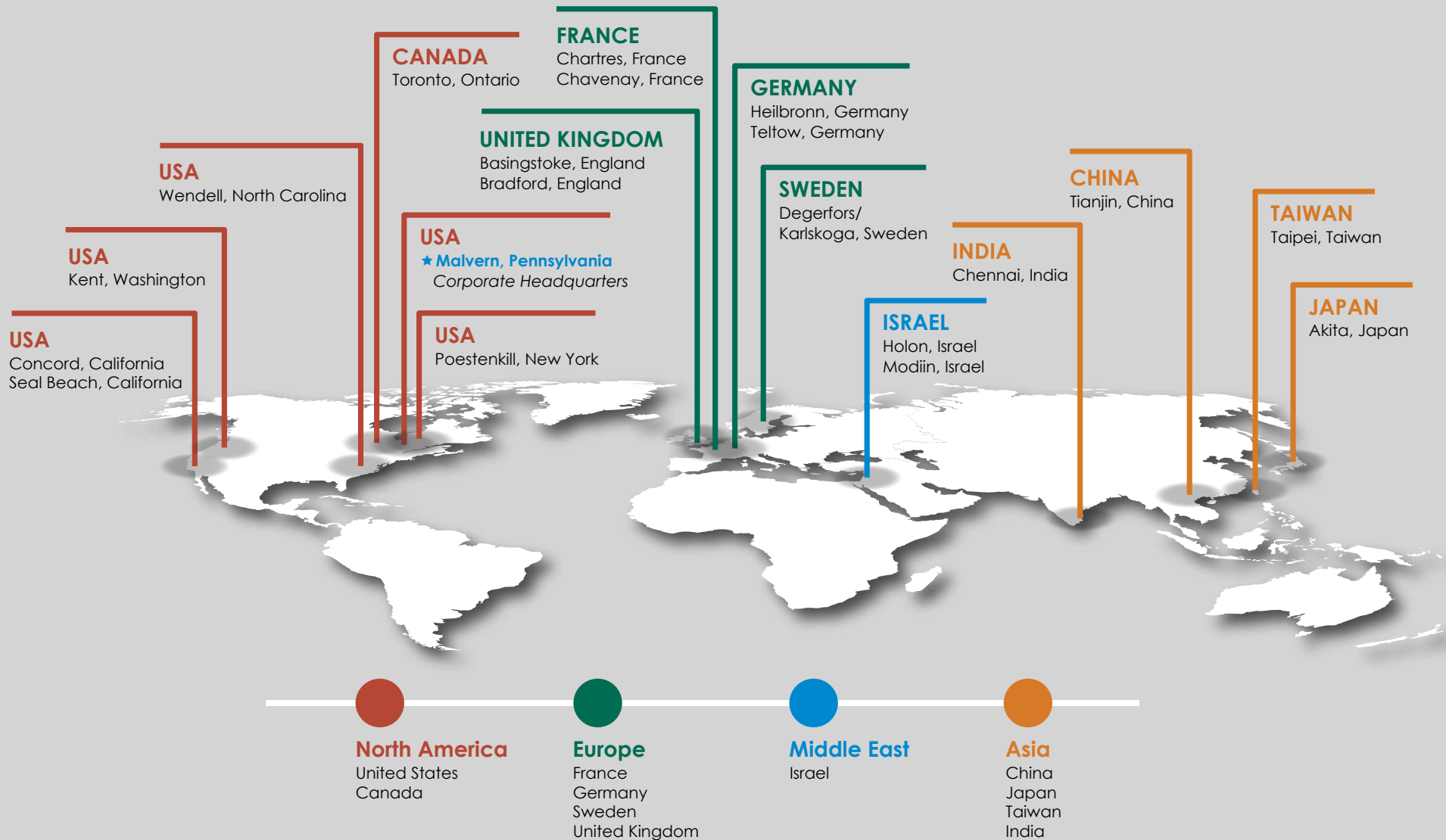
Strong established brands

Proven innovation and deep tech expertise

Deep engineering expertise to customize solutions

Extensive knowledge of specific critical applications

VPG LOCATIONS



2,400 employees | 15 countries | 82% are outside the U.S.

At VPG, our mission is to drive the future by seamlessly **blending the physical and digital worlds** through cutting-edge precision measurement and sensing technologies.



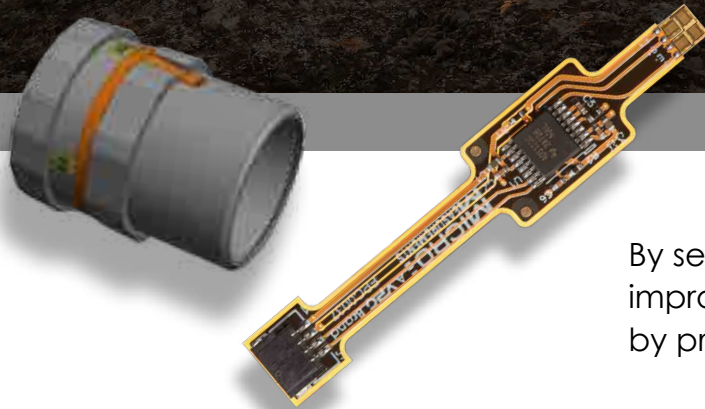
SAFER

Engineered for extreme test environments, our rugged compact data loggers and sensors are integrated into crash dummies for use in automotive, aerospace, and defense safety testing.

VPG products enhance the safety of mission-critical applications, from monitoring structural health in buildings and bridges with our strain gauges to ensuring construction equipment meets safety standards with our load cells.



SMARTER

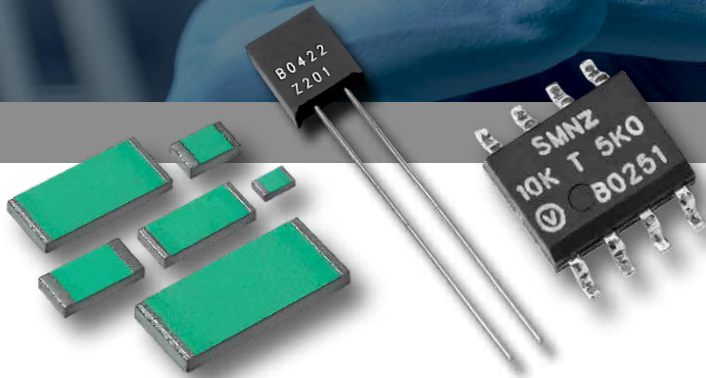


By sensing how hard a rider is pedaling, our torque sensors improve battery efficiency in new generations of electric bikes by providing real-time feedback to the motor.

VPG products make our customers' products smarter—whether by maximizing battery charge and optimizing avionics signals with precision foil resistors, maximizing the precision and comfort of mammography equipment with load cells, or accelerating alloy development with thermo-mechanical simulation tools.

A person wearing a white cleanroom suit and blue gloves is holding a square semiconductor chip. The background is a blurred cleanroom environment.

MORE PRODUCTIVE



Our high-precision foil resistors help deliver the highest signal accuracy required for effective semiconductor chip testing, providing better precision and stability of test results.

VPG products boost customer productivity and performance—whether in metrology and semiconductor testing or in fiber optics equipment using our precision resistors, in flow and ingredient weighing for manufacturing using our force sensors, optimizing vehicle loading with our onboard weighing solutions, or producing uniform thickness of steel sheets with our load cells.

OUR REPORT AND APPROACH



OUR REPORT AND APPROACH

Report Showcases ESG Progress and Sustainability Milestones

This inaugural report describes VPG's efforts and performance on material ESG topics and sustainability initiatives since we launched in 2022 up to December 31, 2023.

The implementation of the ESG program continues to be on track as evidenced by our actions in 2023, which include;

- updating applicable governance documents to include ESG-related topics on Information Security,
- sharing further key ESG performance indicators for environment, health and safety with our stockholders, key stakeholders and the general public,
- adding ESG policies on Climate Related Risk-Greenhouse Gas and a Supplier Code of Conduct and
- updating our Anti-Bribery and Anti-Corruption policies.

As part of our plan to reduce energy consumption and GHG emissions, we captured Scope 1 and Scope 2 emissions using the latest Greenhouse Gas (GHG) Protocol.

This report may contain or constitute "forward-looking" statements or information within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks,

uncertainties, and contingencies, many of which are beyond our control, which may cause actual results, performance, or achievements to differ materially from those anticipated.

Such statements are based on current expectations only, and are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, expected, estimated, or projected. Among the factors that could cause actual results to materially differ include: those factors affecting our operations, markets, products, services, and prices including those that are set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and other public filings. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this report or as of the dates otherwise indicated in such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

PERFORMANCE HIGHLIGHTS 2023

All worldwide manufacturing sites



Electrical Energy
versus 2022



Water Use
versus 2022



Hazardous Waste Disposal
versus 2022

OUR ESG RISKS and OPPORTUNITIES

Assessment Highlights Crucial ESG Issues and Broadens Sustainability Scope

Key ESG Topics:

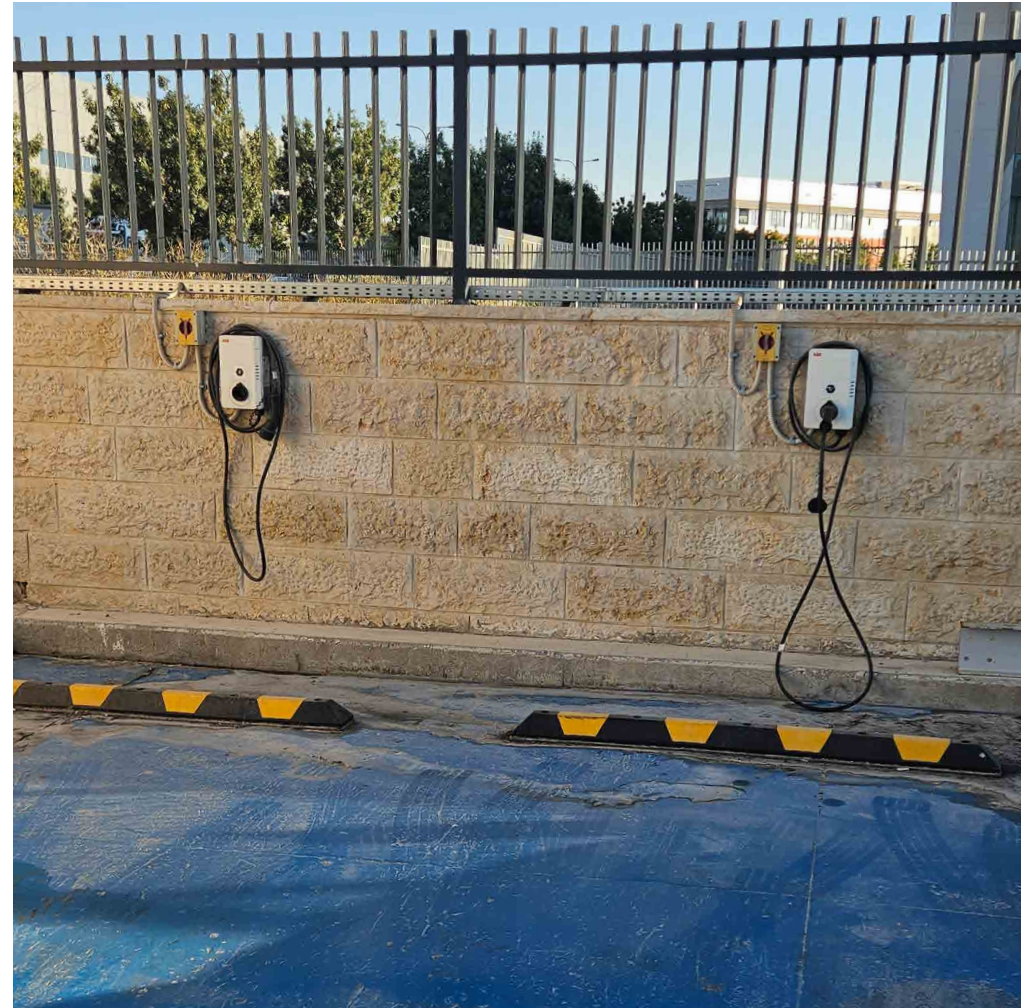
In 2021, VPG conducted its first materiality assessment based on feedback from executives, employees, investors, and customers using the Sustainability Accounting Standards Board (SASB) standards framework and identified the following sustainability disclosure topics, among others, to be material for VPG:

- Energy Management
- Waste and Hazardous Material Management
- Product Quality and Safety
- Product Design and Lifecycle Management
- Material Sourcing and Efficiency
- Business Ethics

Further ESG Topics:

VPG continues to identify further topics based on internal and external stakeholders and customer feedback, and these insights with emerging ESG trends, and frameworks have led VPG to also address the following:

- Information Security
- Labor Practices
- Diversity, Working Conditions, Health and Safety and Human Rights
- Talent Attraction and Retention
- Climate Related Risk
- Water Use



Electric Vehicle Charging Station at VPG Modiin, Israel

OUR GOVERNANCE



OUR GOVERNANCE

VPG's Corporate Governance Principles provide our framework

The [Corporate Governance Principles](#) provide the framework for governance of VPG, and consist of policies and procedures on qualifications of directors, director independence and further affiliations, board size, structure and meeting frequencies, term limits and compensation.

The Board of Directors

The Board of Directors provide direction for the management of VPG. While its primary responsibility is to represent the interests of stockholders, the

Board recognizes that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other interest holders and parties including employees, customers, suppliers, and the communities in which VPG operates.

The Board established the following committee to assist it in discharging its responsibilities:

- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee

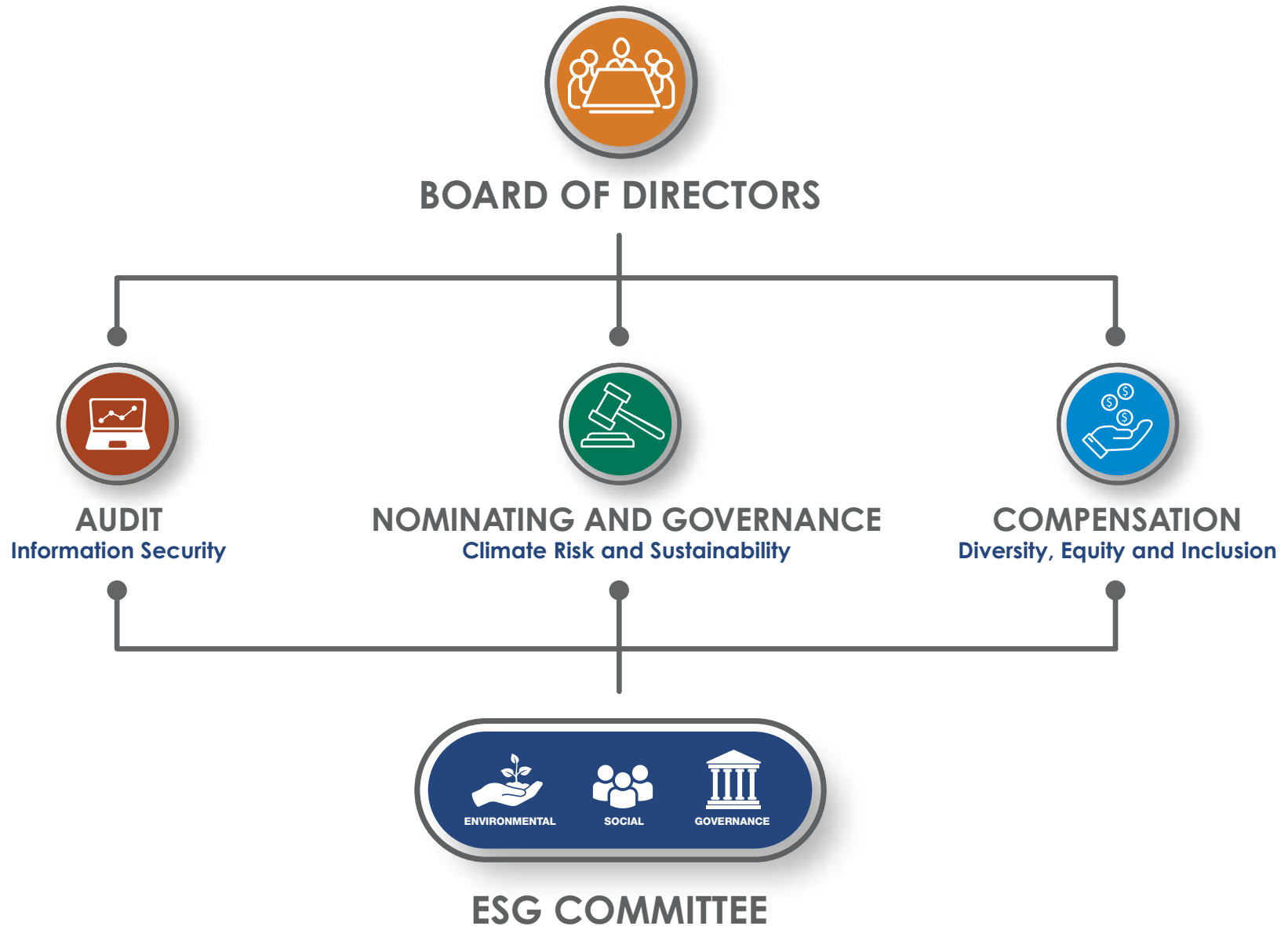
VPG Board of Directors' Committees

	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Saul V. Reibstein	●		●
Janet M. Clarke	●	●	
Dr. Bruce Lerner			●
Timothy V. Talbert	●	●	●
Sejal Gulati		●	

● Committee Chair ● Committee Member

GOVERNANCE STRUCTURE

Established by the Board



INTEGRATING ESG INTO THE BOARD

Nominating and Governance Committee

The VPG Nominating and Corporate Governance Committee, assists the Board of Directors in discharging its oversight responsibility to ESG, Climate-related Risk and Sustainability matters. The Committee annually reviews, reports, advises, and recommends to the Board of Directors on VPG ESG policies, programs and goals and its progress in achieving them.

Audit Committee

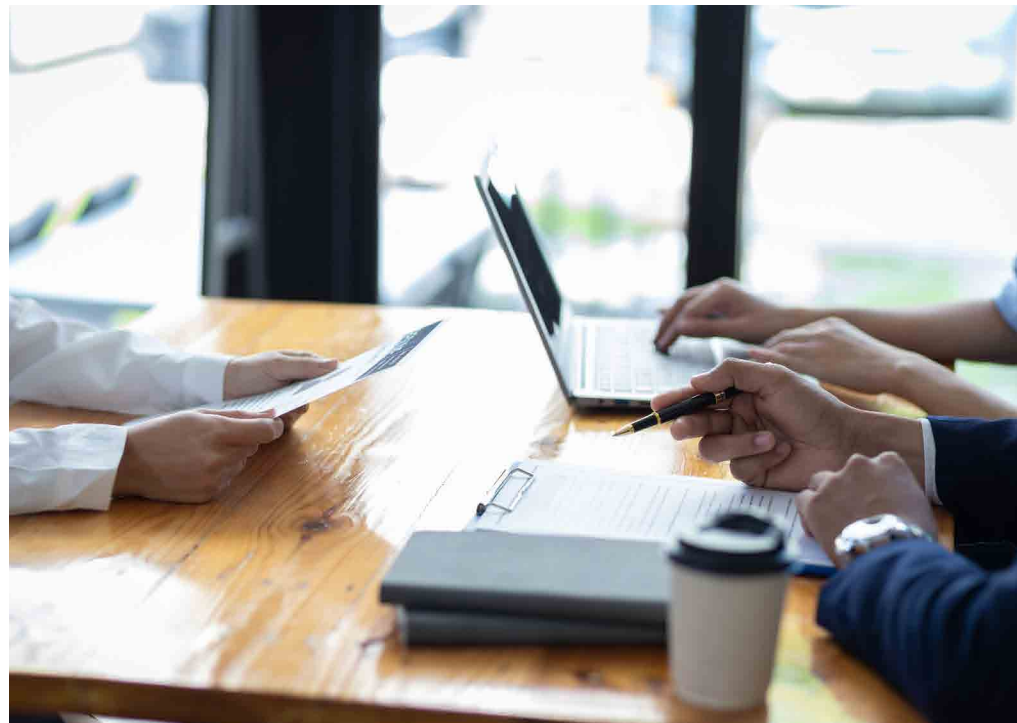
The VPG Audit Committee reviews VPG's information technology security program and reviews controls around cyber-security.

Compensation Committee

The VPG Compensation Committee, reviews and discusses with VPG's management, the diversity of its management, and other employees and the impact of such diversity, equity and inclusion on VPG's talent attraction and retention.

Committee Charters

Along with the charters of the Board committees, the corporate governance principles and other aspects of the company's governance will be reviewed annually or more often if deemed necessary.



VPG has additional policies and procedures that support its governance:

- [By-laws of VPG, Inc.](#)
- Committee Charters
 - o [Compensation Committee](#)
 - o [Audit Committee](#)
 - o [Nominating and Corporate Governance Committee](#)

ESG COMMITTEE

The ESG Committee is chaired by Executive Officer and CAO Amir Tal. As the Chair of the ESG Committee, Mr. Tal reports annually to the Nominating and Corporate Governance Committee. Additionally, the ESG Committee is composed of other cross-functional management from Finance, Human Resources, Digital-Information Technology, Legal, Investor Relations, Quality and Environmental, Health and Safety.

Over the past two years, the ESG Committee has met each quarter to report progress and add additional topics as new trends and learning emerge. The ESG Committee is comprised of the functional heads of the business and Executive Officers.

The ESG Committee monitors progress and execution of the multi-year plan, communicates strategy, external stakeholder feedback and ESG trends and emerging topics. Additionally, the committee is responsible for overseeing the integration of ESG policies into the business operation and strategy. VPG's multi-year plan is adjusted at least annually, and additional topics are added.



Amir Tal
Executive VP, CAO



Bill Clancy
Executive VP, CFO



Inbal Dangur
VP HR



Flora Lewin
VP Digital/IT



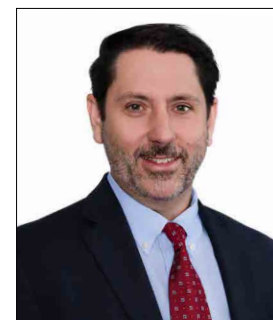
Dan Damstra
General Counsel



Steve Cantor
Sr. Director IR



Jacob Musel
Director Quality



Jeff Roberts
Sr. Director ESG/EHS

BUSINESS ETHICS

VPG adopted a Global Code of Business Conduct for all employees worldwide

Maintaining ethical business standards and practices is the highest priority at VPG. Our firm commitment to ethical business standards and practices guides all activities by VPG personnel, both internally and with VPG's customers, suppliers, and subcontractors.

VPG encourages and relies upon the integrity of all parties, both inside and outside the company, to maintain these ethical standards and practices.

VPG maintains a reporting framework for all stakeholders regarding improper, unethical, or illegal company actions that violate the [Global Code of Business Conduct](#) or other policies.

Employees are obligated to complete an annual training on the Global Code of Business Conduct. The Anti-Bribery and Anti-Corruption Policy were updated in late 2023 and 28 of 57 senior level employees received training on this revised policy as of December 2023.



Leadership, motivation, expertise,
discipline and most important
of all, **“clean hands,”** meaning
integrity and honesty in thought and
deed, is our business doctrine credited
to founder, Dr. Felix Zandman.

COMMITMENT TO ETHICAL PRACTICES

Policies and Reporting Contacts

VPG has additional policies and procedures that support our [Global Code of Business Conduct](#):



[Anti-Bribery and Anti-Corruption Policy](#)



[Code of Ethics Applicable to Executive Officers](#)



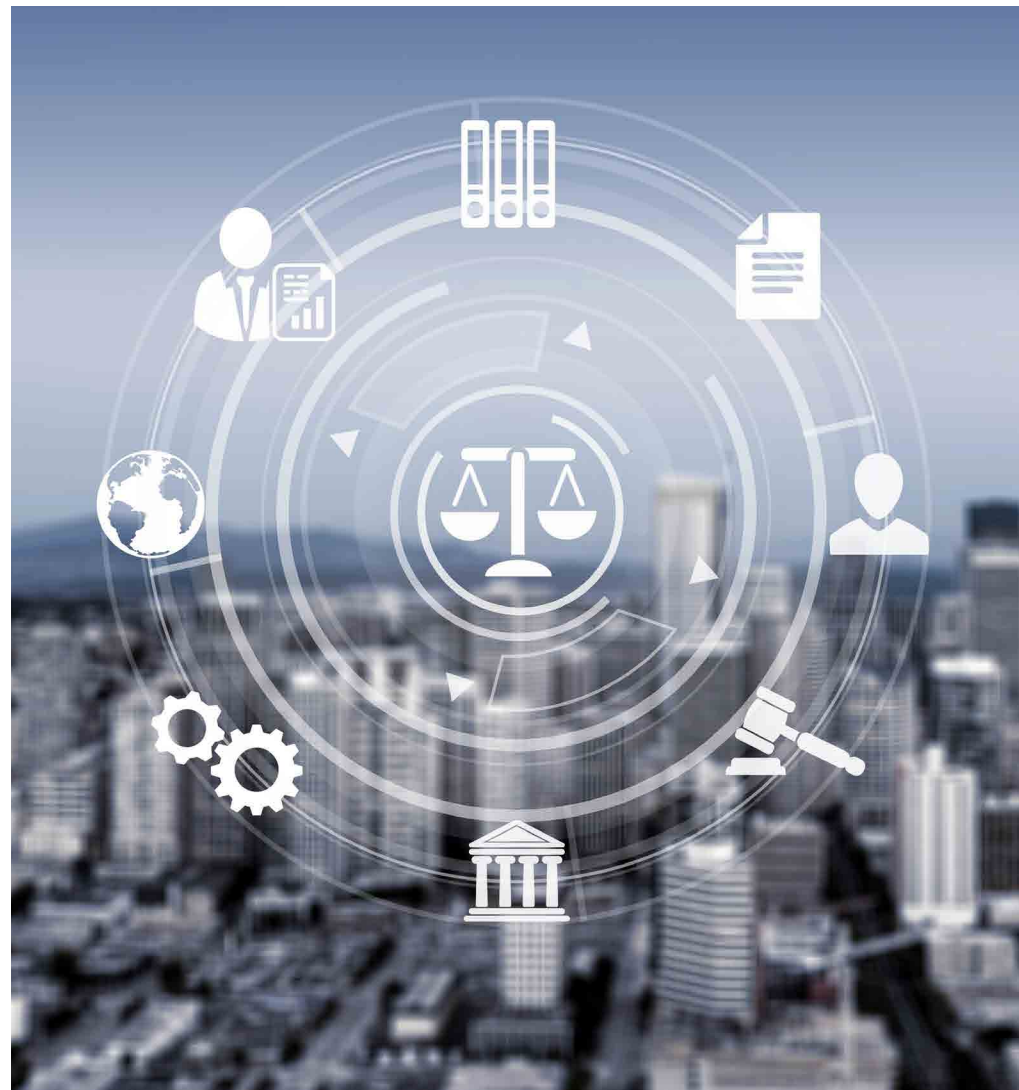
[Supplier Code of Conduct](#)



VPG maintains worldwide contacts to report improper, unethical, or illegal company actions that could violate the Global Code of Business conduct:

- AMERICAS: +1-484-321-5324
- ASIA: +81-184-67-2905
- EUROPE: +49-171-303-5246
- ISRAEL: +972-54-300-0041

VPG incurred no losses because of legal proceedings associated with corruption and bribery in 2023.



INFORMATION SECURITY

VPG has a dedicated Information Security Policy and program to mitigate security risks



The Information Security policy and program covers internal management of cybersecurity risks, and protects personal information from unauthorized access, misuse, loss, or destruction.

VPG has implemented the following:



Information Security policy and program, which details both Information and Cyber Security management.



Periodic risk assessment, and requirements to protect confidentiality, integrity, and availability of personal information.



Security controls including access controls, encryption, 3rd Party risk assessment and management, vulnerability management, malware prevention and additional controls.

ROBUST DATA PROTECTION

Multi-layered, risk-based approach to safeguarding information

Data Protection and Privacy

This multi-layered and risk level approach is updated annually.

The company has implemented:

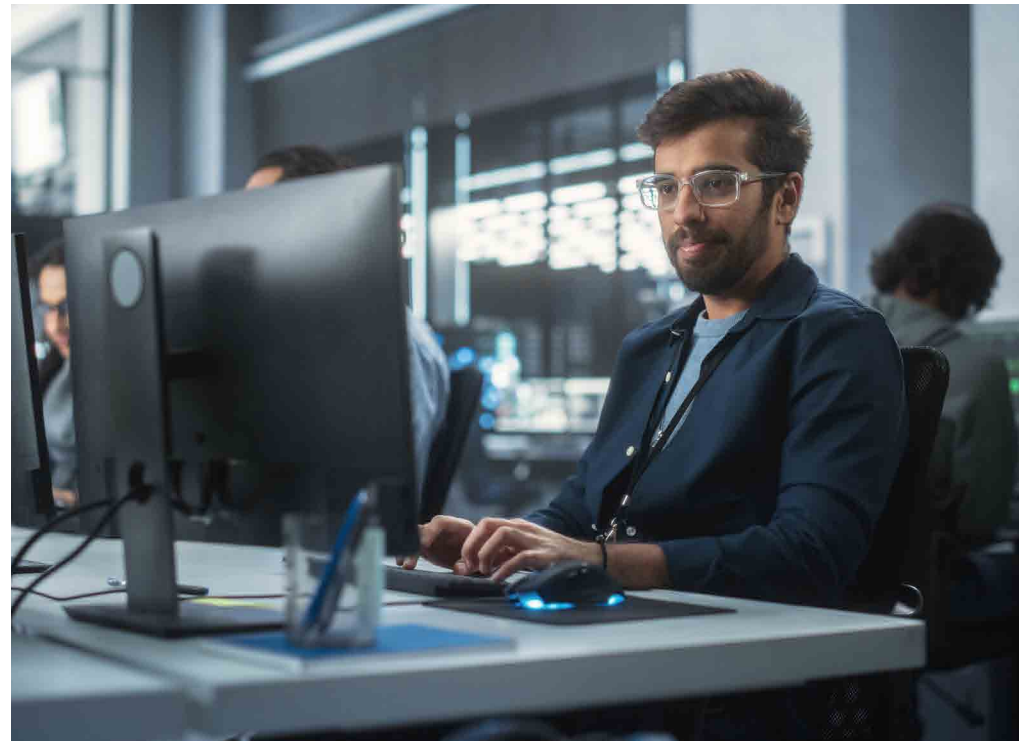
- technical, organizational, and administrative controls to protect personal information from unauthorized access, misuse, loss, or destruction.
- periodic self-assessments based on **NIST SP 800-171** for compliance to Controlled Unclassified Information (CUI) protection requirements.

VPG provides **Information Security training** to all information technology users, company-wide and updates this training as threats emerge or events dictate.

The VP of IT and Digital with the Chief Information Security Officer have developed **a strategy and multi-year plan for cybersecurity** and update it based on technology trends. The VPG Board of Directors is updated annually and more often upon request including if a significant event occurs as defined by its Incident Management policy. Additionally, the Audit Committee reviews the company's information security program, including cyber-security controls.

The Audit Committee is composed of directors who have diverse qualifications and experiences.

To its knowledge VPG has experienced no material company or 3rd party information security breaches or penalties or settlements in 2023 or prior.



SUPPLIER MANAGEMENT

VPG has adopted a Supplier Code of Conduct Policy in 2023

VPG's [Supplier Code of Conduct](#) aligns with its Global Code of Conduct and is based on the Ten Principles of the United Nations Global Compact.

The Supplier Code of Conduct requires the commitment of VPG suppliers to support human rights, uphold freedom of association, and ban forced and child labor.

Supplier Commitments

It further requires that suppliers commit to fair treatment of their employees, compliance with wage, remuneration and working hours, and environmental, health and safety regulations. In addition, suppliers are expected to comply with recognized product environmental standards for suppliers' processes, products or services and raw material sourcing and supply transparency rules.

Finally, suppliers shall commit to adhering to internationally recognized or industry specific quality standards, ensuring timely reporting of unethical or unlawful business practices, abiding by applicable trade laws, ethics laws on bribery and corruption, and respecting the privacy and confidential information of customers, employees. All commitments to the above should be implemented through control systems that facilitates compliance.

Supplier Reports

VPG further expects in subsequent reports to provide information on supplier types, risks, and any associated supplier compliance metrics with its Supplier Code of Conduct — for human rights, labor, environment, and anti-corruption.



OUR PEOPLE



OUR PEOPLE

Our people around the globe are what ties us together

Our employees are the strength of our innovation, deriving from our unique cultural, geographic, racial, and ethnic backgrounds. VPG supports human rights and carefully manages its human capital for its employees, third party contractors and suppliers.

Our people serve the communities in which they work and reside. Many VPG employees have committed to social interests that improve their communities and the globe. Charitable contributions both monetarily, and through mentorship and participation, include

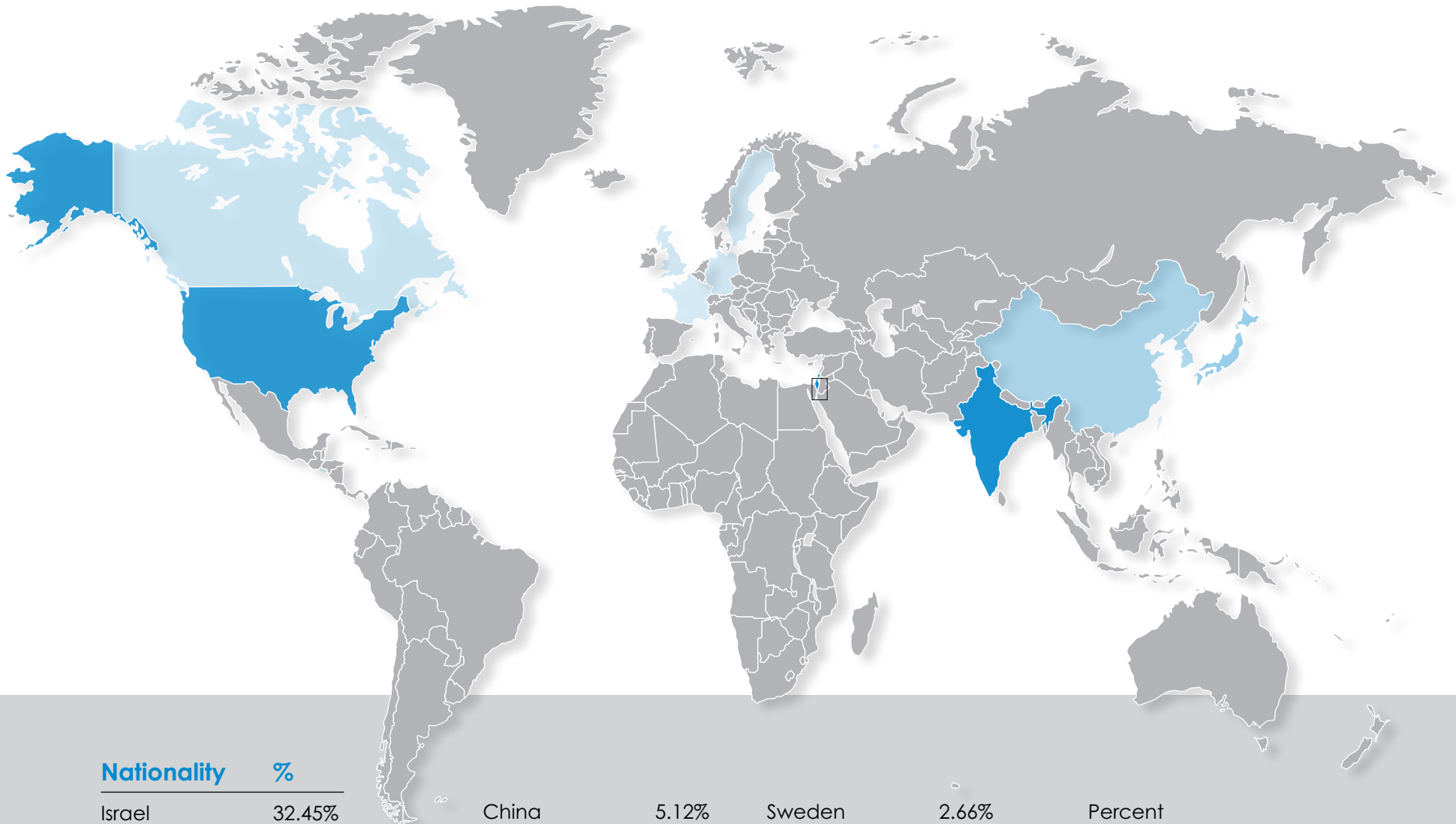
world-wide charitable organizations, country and region emergency service organizations, science, technology, engineering and math initiatives and gifts to local schools.

In addition to our employees and the communities in which we work in and serve, the key to continued engagement is the support of a diverse, equitable, and safe work environment while continuing to discover, develop, foster and retain talent.



GLOBAL WORKFORCE

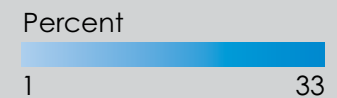
Nationalities of Workers Worldwide



Nationality	%
Israel	32.45%
India	24.24%
United States	16.14%
Japan	5.91%

China	5.12%
Canada	4.24%
United Kingdom	3.00%
Germany	2.66%

Sweden	2.66%
France	1.39%
Taiwan	1.11%
Other Not Listed	1.24%



LABOR PRACTICE INDICATORS

Workforce Breakdown – Diversity

VPG is committed to the principles of equal employment opportunity, inclusion, and respect.

VPG actively recruits people from diverse geographic, ethnic, and social backgrounds. We believe new ideas from diverse perspectives lead to better business results.

VPG seeks to provide employees a safe, productive, and collaborative work environment that values success

and innovation, and allows team members to fulfill their personal and professional potential.

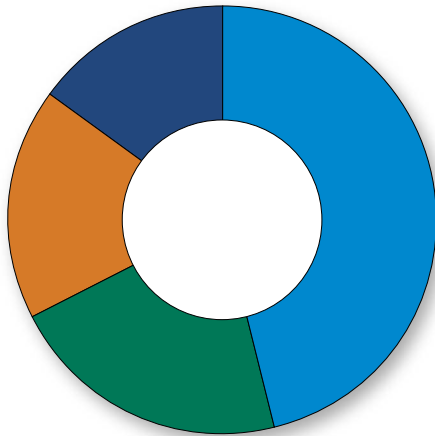
We are proud of our globally diverse workforce that represents a powerful mix of talents and innovation. We strive to provide a diverse, and rewarding environment in a wide variety of education and experience based disciplines.



WORKFORCE REPORT

Comprehensive Gender, Age, and Ethnic Breakdown

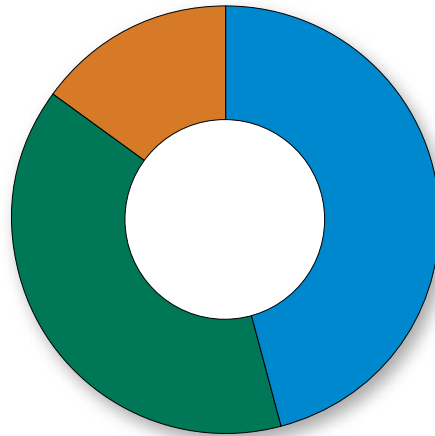
Gender of Workers
Worldwide 2023



- **48%** Women as % total workforce
- **22.2%** Women in management position
- **18.4%** Women in STEM related position
- **15.3%** Women in sales position

As of December 31, 2023

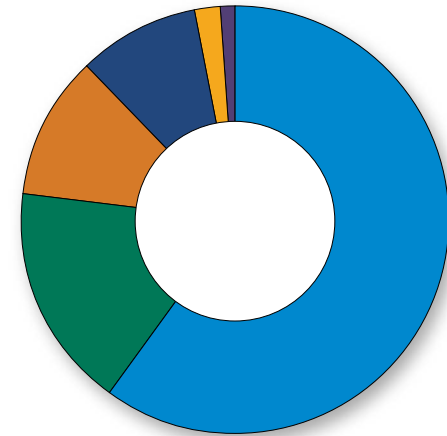
Workforce Age
Worldwide 2023



- **46%** 30 years of age to 50 years of age
- **39.2%** Greater than 50 years of age
- **14.8%** Less than 30 years of age

As of December 31, 2023

Race/Ethnicity of
US Workers 2023



- **60%** White
- **17%** Black/African American
- **11%** Hispanic/Latino
- **9%** Asian
- **2%** Two or More Races
- **1%** American Indian

Based on its 2023 Equal Employment
Opportunity (EEO-1) Form

LABOR STANDARDS – WORKING CONDITIONS

VPG is committed to acting within the laws and regulations in every community and upholding our labor standards consistent with United Nations aims

It is essential for VPG to create an environment where individuals feel they can raise matters of genuine concern internally without fear of disciplinary action or reprisal, and that these matters will be investigated in confidence.

VPG monitors the exposures of all VPG workers worldwide that may be exposed to hazardous substances or physical agents (noise, radiation, and temperature) annually as a part of each site's industrial hygiene program. The industrial hygiene program identifies contaminants that will be sampled, and their frequencies, to regularly monitor working conditions and assure that substances or agents are below regulatory and/or consensus thresholds for exposure. Furthermore, VPG enlists authorized medical professionals or licensed healthcare professionals where risks or legal requirements dictate monitoring longer term employee health or treating potential occupational illness or injury.

In 2023, VPG had no employee strikes or work stoppages due to labor disputes. VPG continues to support employees' rights to collective bargaining and other recognized employee interests to organize.

Currently, approximately 11% of VPG permanent employees participate in an organized trade union.



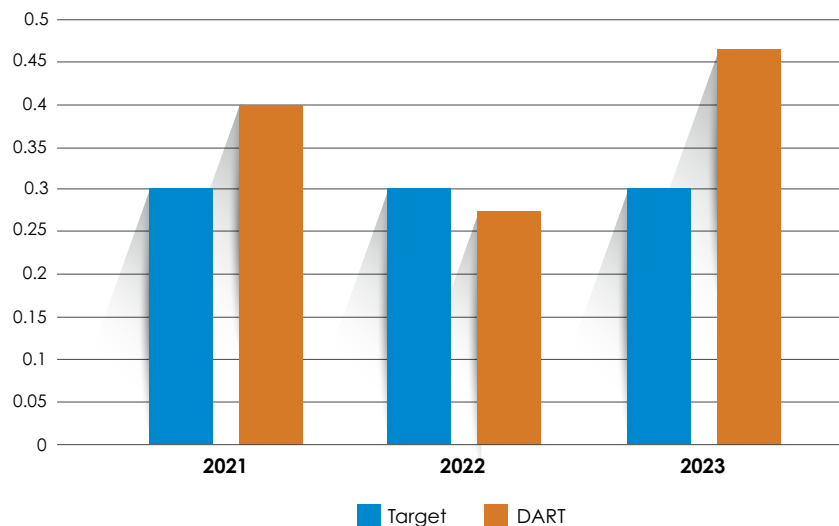
HEALTH AND SAFETY

VPG implements a worldwide EHS management system consistent with ISO 45001:2018

The health, safety and well-being of our employees is of utmost importance to VPG. We have a dedicated global management system for employee health and safety, worldwide. Further we are committed to achieving a 0.3 DART for our employees to continue to reduce severe work-related injuries and illnesses.

Employee involvement and hazard awareness is critical to VPG's health and safety program success. Forming the foundation of this program is VPG's identification of health and safety aspects and serious injury, fatality risks which provide the basis of our operational controls through procedures, checklists, and training.

Days Away, Restricted, Transferred (DART) YOY



VPG Worldwide **DART** Rate = **0.47** in 2023

VPG experienced zero fatalities from VPG employees or contractors in 2023.

ZERO
FATALITIES

Annually, each manufacturing site sets at least one serious injury, fatality (SIF) reduction activity target. The SIF risk list for each site as well as its most recent health and safety aspects and status on its risk assessment plan completion is measured as a part of the global annual programmatic review.

VPG ENHANCES SAFETY

VPG routinely monitors hazardous substance exposures to workers. We follow the hierarchy of controls and industry best practices to protect employees in the following order: elimination of the chemical, substitution to a less harmful chemical, controlling the exposure by engineering such as fume hoods, local exhaust which are routinely maintained and/or safe work practices or work rotations identified in specific written procedures and the use of approved and employer provided personal protective equipment.

30%

VPG implements a worldwide EHS management system for all employees and is externally certified to ISO45001 that covers **approximately 30% of total VPG employees in 2023.**

Further, in 2023, all manufacturing sites world-wide participated in the following objectives, targets, and programs that will continue in 2024:

- Identifying, and reducing or eliminating (SIF) risk,
- Ensuring implementation of new enterprise incident and near miss reporting tool,

VPG did not experience a material penalty related to occupational, safety and health citations or violations in 2023.



- Ensuring new hire orientation and all required safety training per the site training matrix,
- Completing regular safety meeting in accordance with applicable law and VPG standard practice,
- Planning and tracking risk assessments or outstanding job safety analysis based on SIF, and/or significant aspects,
- Conducting monthly inspections per VPG standard practice and provide follow up tracking for deficiencies.



VPG employees completed **4,013 documented safety training hours** and **attended 209 safety meetings** worldwide in 2023.

Our people around the
globe **are the strength of
our innovation.**

TALENT ATTRACTION, RETENTION

VPG launched an initiative to further define its culture and align it with its core growth strategy in 2023

Part of the VPG growth strategy is to support talent attraction and retention within VPG to position it for long-term success.

A part of the talent attraction and retention strategy was to define VPG core values, and to engage employees worldwide in the discussion and selection of these values. VPG employees co-created its culture, core values and DNA and will help define a way to implement them.



The Culture Advisory Team will continue to aid in the implementation of the core value campaign, serve as VPG champions for the core values and provide on-going feedback on implementation.

Further development of the following is planned in subsequent years to further support talent attraction, retention, and human capital development:

- Adopt diversity and inclusion as a part of the wider HR strategy by identifying KPIs and targets, and sponsor business unit or region-specific mentorship.
- Initiate further plans on Human Capital Development through organizational development lead, recruitment standardization, and leadership development and employee training and competencies.

HIRING	2019	2020	2021	2022	2023
Total # of new hires	374	553	1043	918	474
# of positions filled by internal candidates	4	9	17	15	17

HUMAN RIGHTS

VPG has a Human Rights Policy that applies to all VPG employees, suppliers, vendors, and partners worldwide

At VPG, we respect all internationally recognized human rights. We are committed to upholding fundamental human rights and believe all human beings around the world should be treated with the utmost dignity, fairness, and respect, which extends to respecting and protecting the rights of minority groups and women.

In 2022, VPG released its first Human Rights Policy based on the values and principles found in the UN Guiding Principles on Business and Human Rights, the UN Universal Declaration of Human Rights and UN Sustainable Development Goals.

As such, VPG seeks to ensure that its activities and those of its suppliers do not cause or contribute to adverse human rights impacts.

Further, our Company will only engage suppliers, vendors, partners, and contractors who demonstrate a serious commitment to the health and safety of their workers and operate in compliance with local, national, and international human rights and other applicable laws.

In 2023, VPG began the release of this [Human Rights Policy](#) to VPG employee groups, and will commit to the following ongoing actions:

- Providing further training on Human Rights Policy to all supplier managers.
- Further actions defined in supplier management section to support human rights monitoring and improvement.



Chennai Community Medical Van Project, India

OUR ENVIRONMENT



OUR ENVIRONMENT

Our operations strive to minimize our global impact

VPG firmly believes that our actions today will impact future generations, which is why we have set targets to reduce energy usage, water usage and waste generated and continue with corporate and facility-specific goals. Resource management is not just a policy statement, but also a critical business objective to ensure long-term viability and success for VPG and the communities where we work and live.

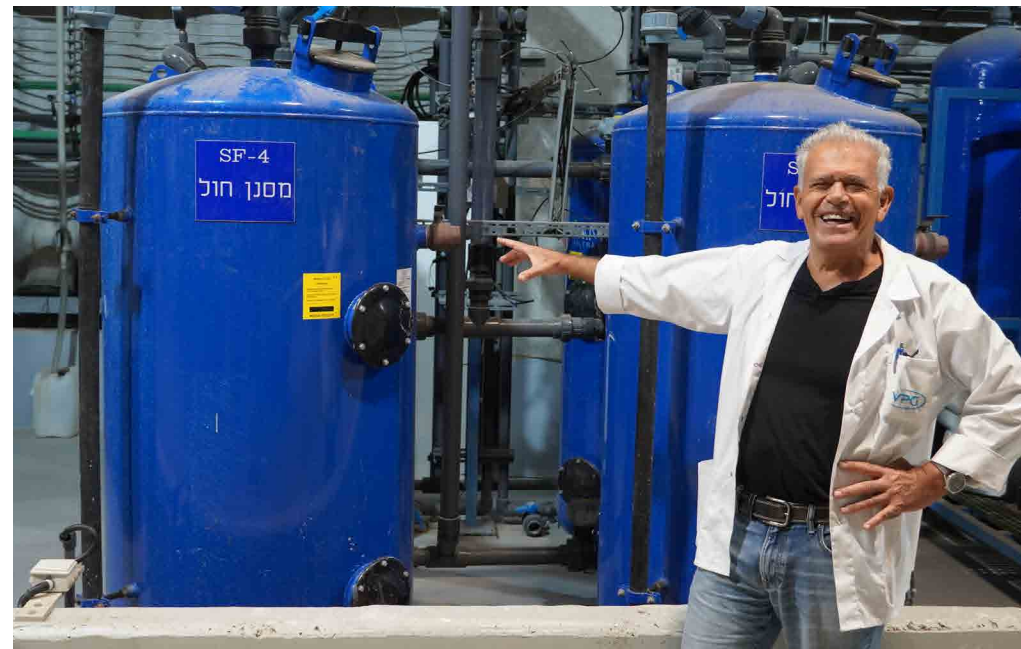
VPG also strives to operate in a regulatory compliant manner that protects the quality of the environment and strives to minimize energy, promote resource conservation and prevent pollution by implementing a global EHS management system in line with core ISO 14001 elements.

The combined [Environmental, Health and Safety policy](#) provides the framework for the management of this topic.

Hybrid Zero Liquid Discharge System Achieves 95% Contaminant Capture

Miki Kachlon, Sr. Mgr. Infrastructure, Modiin, Israel

To control contaminant concentrations in the production of advanced sensors, VPG installed a hybrid (open and zero liquid discharge) system that is fully automatic and does not require chemical process which can be sensitive to wastewater characteristics. **The result was 95% efficiency of contaminant capture in the zero liquid discharge mode.**



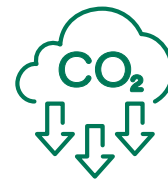
CLIMATE RELATED RISK

VPG implemented a Climate Risk and Greenhouse Gas Policy in 2023

VPG recognizes that the climate crisis largely continues unabated and therefore supports actions to curtail global emissions. To support this effort VPG captured baseline Scope 1 and 2 emissions data in 2023. VPG will monitor and use the baseline data to set and disclose near-term emission reductions targets in 2024 as a part of a carbon reduction plan.

For data collection, VPG used an operational control approach for all leased/owned manufacturing facilities, sales, and warehouses world-wide. The data collection included all of the following:

- Mobile Combustion for all VPG leased and owned vehicles worldwide,
- Purchased Electricity for all manufacturing sites worldwide.
- Stationary combustion for all manufacturing sites worldwide.



[Climate Risk and Greenhouse Gas Policy](#)



VPG began implementation of leased/owned fleet **hybridization** and **electrification** in 2022.



VPG began a special focus on **electrical energy** use at its top three sites, with additional focus projects in water use and hazardous waste disposal in 2023.

GHG Emissions – 2023 (baseline)

TYPE	Actual (tCO2e)
Scope 1*	12,740.2
Scope 2+	12,722.5

Note: Worldwide VPG emissions from manufacturing (95% coverage), except refrigerant emissions.

*Emission Factors for GHG Inventories (2014) and GHG Protocol for Mobile Combustion-Version 2.6

**Carbon Footprint, 2021 Grid Electricity Emission Factors Version 1.1 and IEA Emission Factors 2022

ENERGY MANAGEMENT – ELECTRICAL USE

VPG set a target reduction of 15% in worldwide energy use intensity by 2024 versus 2021

VPG is committed to reducing facility energy use by focusing on ways to optimize the building envelope, reducing cost, and investing in more renewable forms of energy.

In 2021-2023, VPG completed the following operational and capital **project improvements** at various sites worldwide:



LED Lighting Replacements



Increase Setback Frequencies



Increase of Air Recycle



Leak Detection and Repair of Compressed Air



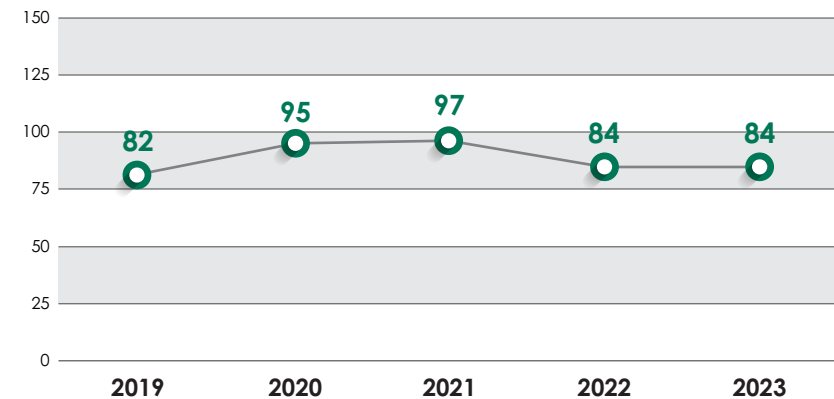
Optimizing Comfort Cooling by installing smart thermostats



Replacement of old air conditioners with more efficient ones

As a part of planning in 2023, VPG is prioritizing capital expense for the use of photovoltaic to replace natural gas boilers in Bradford, UK, and implementing a larger scale solar project plan to reduce cost and use of electricity in Chennai, India.

Electrical Energy Intensity (Mwh per Million revenue)



Electrical Energy Use

	2019	2020	2021	2022	2023
Actual (MWh)	23,118	25,608	30,903	30,548	29,762

*All worldwide manufacturing sites.

WATER USE

VPG set a target reduction of 15% in worldwide water use intensity by 2024 versus 2021

VPG is committed to reducing water use by conservation, equipment optimization, reuse, and recycle.

VPG operates manufacturing sites in the following countries subject to extremely high-water stress as reported by the World Resources Institute: Israel and India.

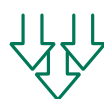
In 2021-2023, VPG completed the following operational and capital **project improvements** at various sites worldwide in order to reduce water use:



Electrode calibration program to increase water recycle.



Closed loop water treatment systems to increase water recycle.



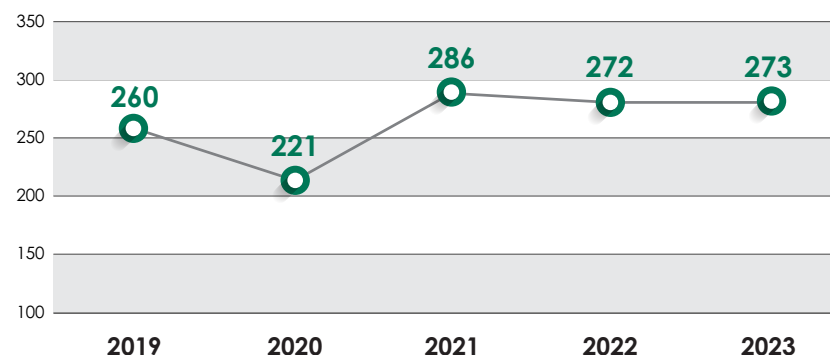
Reduction of deionized water use in production and further regulation of use.

VPG reduced water use by 5% in 2022. Additionally, VPG has promoted water savings in specific projects for the new Modiin, Israel facility and has reduced water consumption

for sensor/resistor manufacturing processes in Holon, Israel and Modiin with the following projects including, tightening tolerances for water pressure regulation, optimizing electrodes, and DI water regulation and reduction.

Water Use Intensity

(Cubic meters per Million revenue)



Water Use

	2019	2020	2021	2022	2023
Actual (m3)	73,559	59,565	90,975	98,822	96,910

*All worldwide manufacturing sites.

WASTE AND HAZARDOUS MATERIAL MANAGEMENT

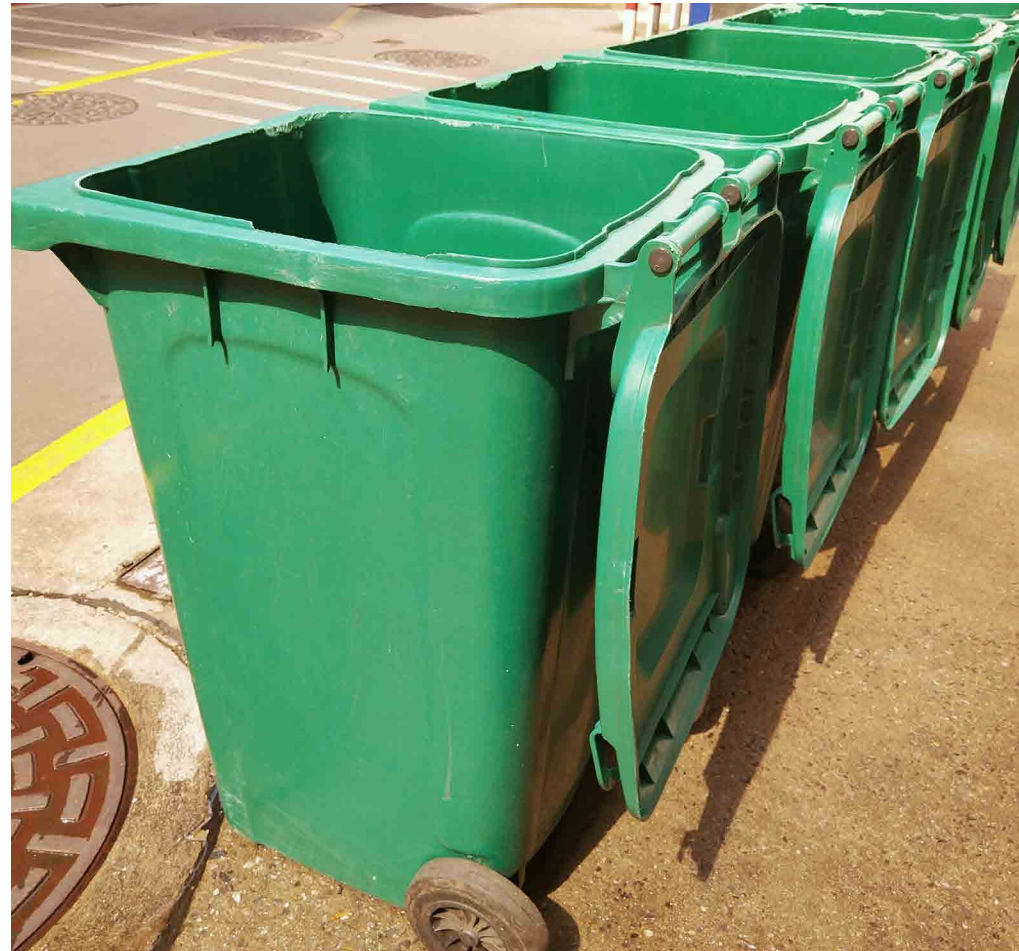
VPG understands that an integrated waste management approach is a crucial sustainable development and business strategy.

As a part of the 2022 [Solid and Hazardous Waste Disposal Policy](#), VPG has committed to ensuring sustainable waste services and supporting a more circular economy. Specifically, waste reduction activities are focused on sustainable consumption and production in manufacturing by emphasizing functionality; reduced obsolescence and packaging.

Additionally, VPG seeks to ensure that waste service providers that work on its behalf are also provided safe, dignified, and clean workplaces to recover materials that benefit everyone.

VPG has further committed that it will only engage suppliers, vendors, partners and contractors who demonstrate a serious commitment to the health and safety of their employees and operate in compliance with local, national, and international human rights and other applicable laws.

Wherever possible, VPG tries to avoid working with vendors who utilize informal subcontracted labor as waste workers.



HAZARDOUS WASTE MANAGEMENT

Effective Strategies for Waste Reduction

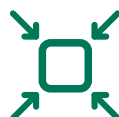
In 2021-2023, VPG completed the following operational and capital **project improvements** at various sites worldwide:



[VPG Solid and Hazardous Waste Policy](#)



Recycling of wastewater filter cake and spent acid solutions.



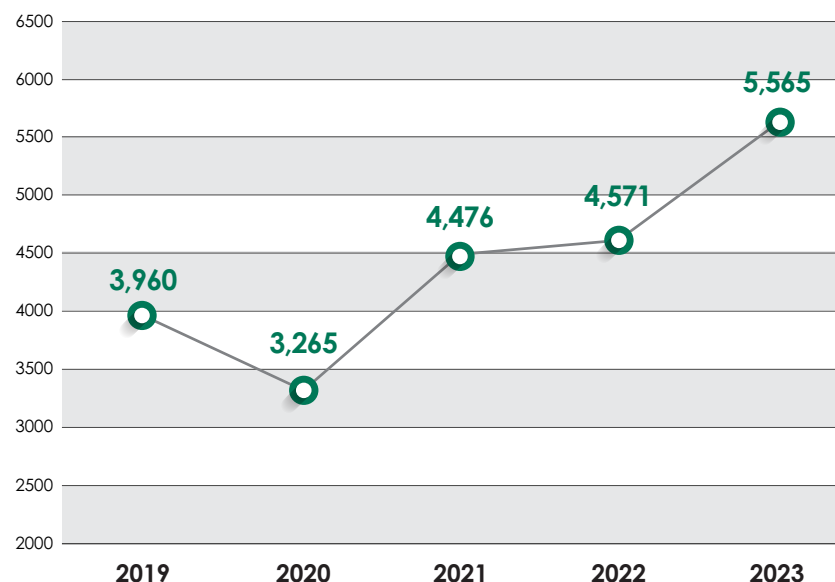
Compacting hazardous waste to improve transportation efficiency, and reduce cost.

As a part of feasibility and planning in 2023, VPG committed to the following hazardous waste projects:

- Compaction to reduce disposal transportation.
- Continued recycling of spent acid waste and filter cake waste.

Hazardous Waste Intensity

(Cubic meters per Million revenue)

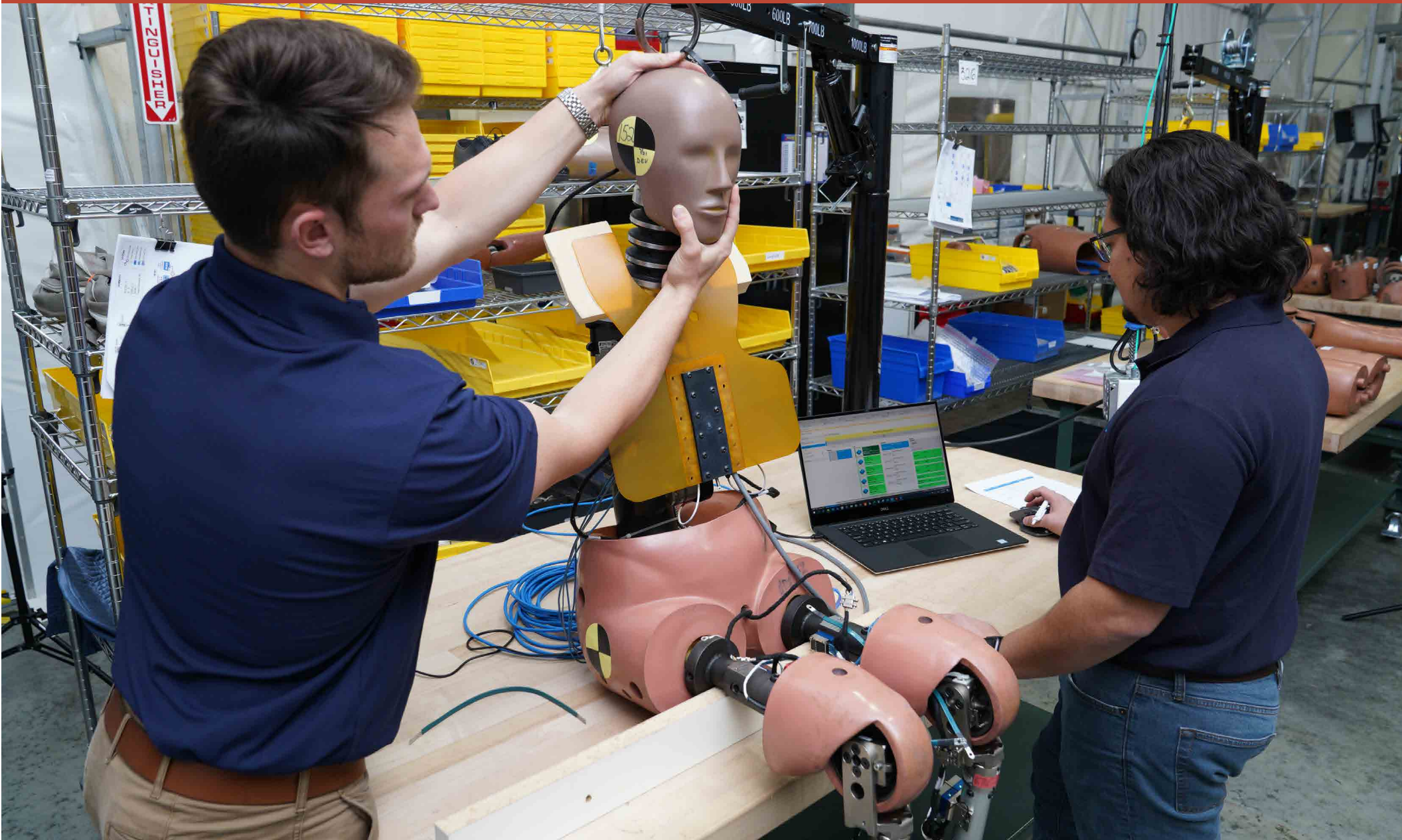


Hazardous Waste Disposal

	2019	2020	2021	2022	2023
Actual (kg)	1,120,667	881,494	1,423,260	1,659,150	1,975,730

*All worldwide manufacturing sites.

OUR PRODUCTS



OUR PRODUCTS

Ensuring Environmental and Regulatory Compliance

As a manufacturer of components, assemblies and finished testing equipment, VPG has identified environmental and product impacts.

VPG impacts are dependent on the selection of raw materials, product design and integration and the product's life expectancy and its ultimate disposal or recycle.

VPG carefully considers its compliance to existing product compliance regulations such as RoHS, REACH/SCIP, TSCA, CA Prop 65 and Conflict Minerals among other more specific region, country and local regulations and new and emerging customer specific requirements.

VPG Training Center, Basingstoke, UK



PRODUCT QUALITY AND SAFETY

VPG's primary goal is to exceed the expectations of our customers



VPG's exceptional reputation for quality is based on a commitment to the newest and most effective design, manufacturing, testing, and management procedures - including both statistical process control and continuous improvement methodologies.

One or more quality management systems cover over 60% of worldwide VPG manufacturing facilities.

VPG sites are certified to one or more of the following international, industrial, or other standards:

- ISO 9001 International Standard,
- ISO 14001 International Standard,
- ISO 45001 International Standard,
- AS 9100 Aerospace Standard,
- IATF 16949 Automotive Quality Management Standard,
- ISO/IEC 17025 International Standard,
- MIL-STD-790 Established Reliability and High Reliability Qualified Products List (QPL) Systems for Electrical, Electronic and Fiber Optic Parts Specifications

ADVANCED TESTING FACILITIES

Ensuring conformance with key specifications for critical industries

VPG maintains extensive testing facilities that complement the quality systems for each product line. As a result, VPG can maintain qualifications to a wide range of specifications vital to the avionics, military, space, test and measurements, automotive and industrial markets, including:

- MIL-PRF (Military Performance Specifications)
- ER (Established Reliability)
- DLA Land and Maritime Drawings
- CECC (CENELEC Electronic Components Committee)
- DIN (German Industrial Standards)
- BS (British Standards)
- NASA (National Aeronautics and Space Administration Standards)
- EU Directives (European Union Directives)
- OIML (International Organization of Legal Metrology)
- NTEP (National Type Evaluation Program)
- ATEX (Explosive Atmosphere Directive)
- FM (Factory Mutual Approval Standards)
- CSA (Canadian Standards Association)
- ESA (European Space Agency)
- IECCEX Standards (International Electrotechnical Commission for Explosive Atmospheres Standards)

VPG Achieves Zero Product Recalls

During 2023, VPG did not have any product recalls for potential manufacturing or design defects that could cause substantial harm to end-users, nor did it receive any notice from governmental or regulatory agencies regarding any such product defects.



OUR CERTIFICATIONS

Showcase Our Commitment to Quality, Health, Safety, and Environmental Standards



- > Alpha Electronics- Akita, Japan
- > Vishay Advanced Technologies, Limited- Holon, Israel
- > Vishay Advanced Technologies, Limited- Modiin, Israel
- > Vishay Precision Transducers India Pvt. Ltd- Chennai, India
- > Vishay Celtron Technologies Co., Ltd – Tianjin, China
- > Vishay Measurements Group UK, Ltd – Basingstoke, UK
- > Vishay Measurements Group, Inc. – Wendell, NC USA
- > Vishay Nobel AB – Karlskoga, Sweden
- > Powertron GmbH – Teltow, Germany
- > VPG Systems UK Limited – Bradford, UK
- > Vishay Advanced Technologies, Limited - Holon, Israel
(including VIDCO Industries, Thermal Shroud Department)
- > Vishay Precision Group Canada, ULC (KELK)



- > Vishay Advanced Technologies, Limited- Holon, Israel
- > Vishay Advanced Technologies, Limited - Modiin, Israel
- > Vishay Nobel AB – Karlskoga, Sweden
- > Vishay Celtron Technologies, Co., Ltd. - Tianjin, China



- > Vishay Advanced Technologies, Limited- Holon, Israel
- > Vishay Advanced Technologies, Limited - Modiin, Israel



- > Vishay Advanced Technologies, Limited (Foil Resistors) – Holon, Israel



- > VPG Systems UK Limited - Bradford, UK



- > Diversified Technical Systems, Inc.- Seal Beach, CA USA
- > Vishay Nobel AB- Karlskoga, Sweden

MATERIAL SOURCING AND EFFICIENCY

VPG maintains a Conflict Minerals Compliance Manual that is annually reviewed and updated

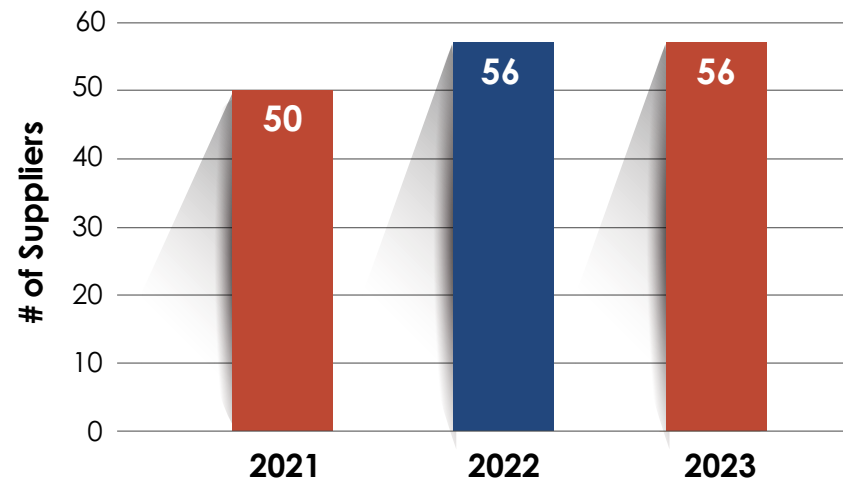
During its 2023 reasonable country of origin inquiry (RCOI) campaign, VPG contacted 100% of its suppliers for 3TG metals. A total of 436 suppliers were identified within VPG's supply chain worldwide. Of these suppliers, **56% provided satisfactory responses** that enabled VPG to determine its conflict minerals sourcing risk. Still, there was a **25% reduction in high-risk suppliers** (those sourcing from high-risk countries outlined in Section 1502 of the Dodd-Frank Act) from 2022 and nearly a 50% decrease versus 2021.

As a follow up review of the 2023 campaign, actions were identified by the **Conflict Minerals Steering Team to improve supplier response rate as follows:**

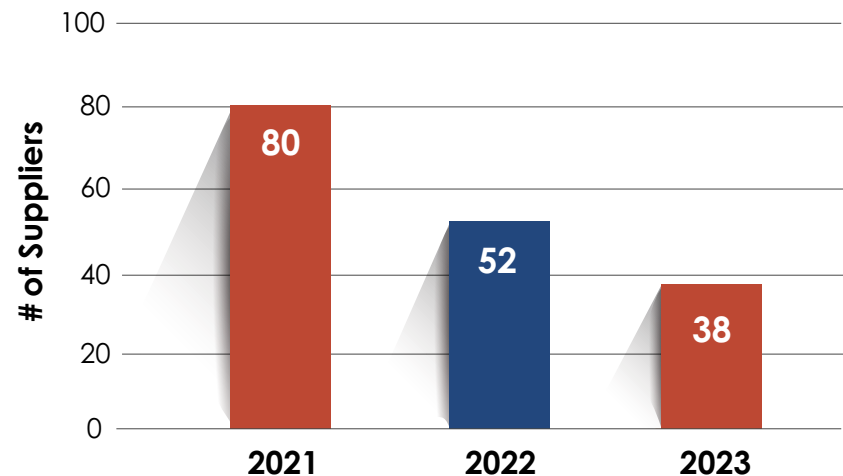
- 1) sorting high risk suppliers and communicating with them regarding compliance, and providing them with necessary tools
- 2) implementing the supplier code of conduct and adding further conflict minerals compliance to the terms and conditions of contracts or purchase orders, and
- 3) developing a process of corrective action for repeat non-responders.

VPG will continue to monitor mineral sourcing risks that are emerging like cobalt and mica in its products.

Worldwide Supplier Response Rate Percent



Worldwide High Risk Suppliers



PRODUCT DESIGN AND LIFECYCLE MANAGEMENT

VPG launched Product EHS Working Groups to help further its commitment to safe and responsible product development and manufacture

The Product EHS Working Groups will aid businesses in product development, design and disposal and maintain market access against emerging and increasing regulatory pressures.

The following Product EHS Working Groups met in 2023:

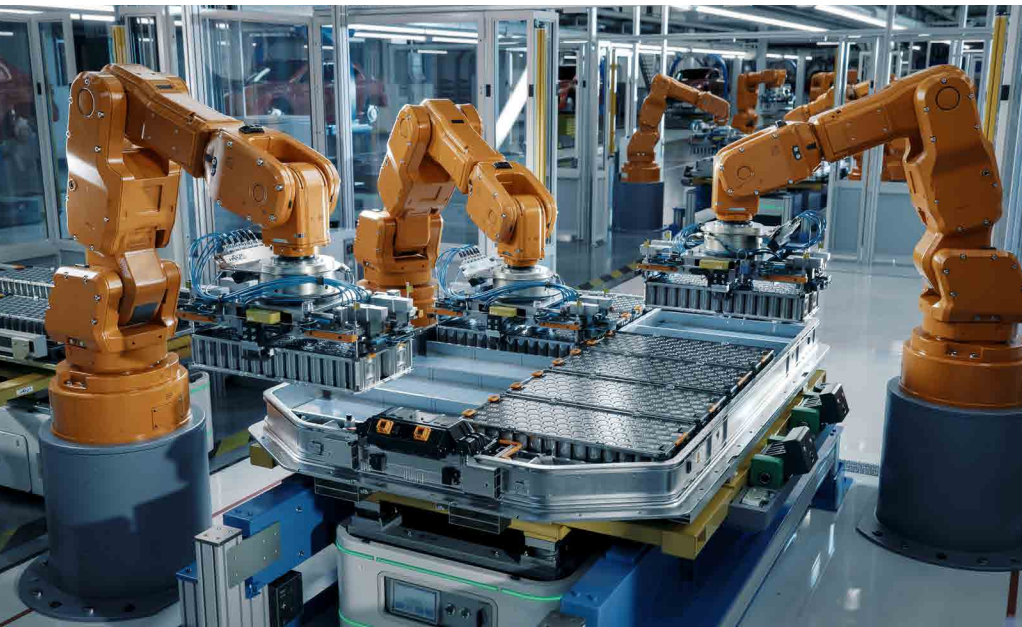
- Sensors
- Weighing Solutions

It is expected that Measurements Systems will formally launch in 2024.

The Product EHS Working Groups are a cross-functional team including R&D, Process and Product Engineering, Sales, Quality, Purchasing and EHS to specifically:

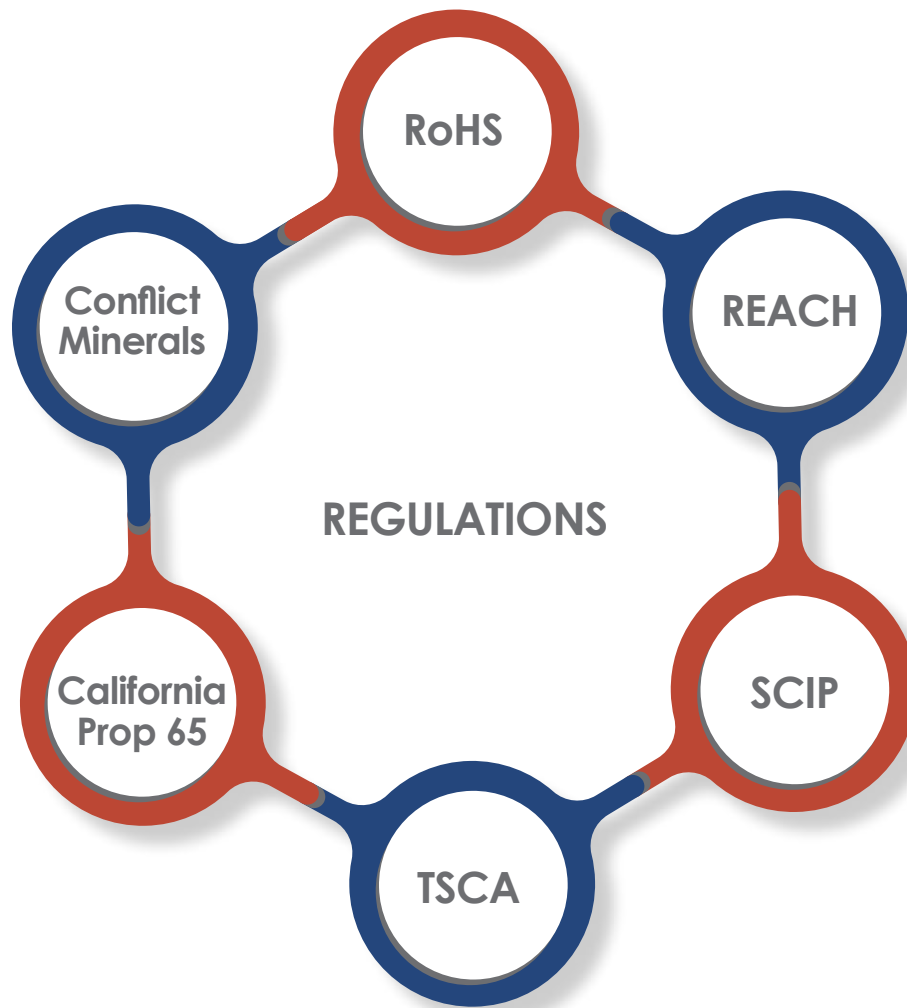
- provide information on current and future finished goods manufacture and sales,
- provide information on raw material sourcing risk(s), and stakeholder needs and requests,
- aid in creating full material disclosure, or conformity statements, and safety data sheets to support customer inquiries,
- engage with the Global EHS team in stages of life cycle analysis and risk assessment for new or substantially re-engineered products,
- develop and maintain core competencies in emerging legal requirements in the product EHS space.

In addition, to the product compliance regulations below, VPG also incorporates bans of certain other substances where customer specifications identify the need to avoid or limit the concentration of VOCs, halogens, POPs, and PFOA/PFAS.



KEY REGULATIONS

Environmental and Safety Compliance



VPG Enhances Global EHS Compliance

- VPG has implemented a high-level risk assessment for all products in its portfolio with respect to key regulations and its compliance.
- VPG monitors its chemical substances for changes to regulations worldwide.
- VPG is presently enacting a training and competency matrix for product related EHS regulations to continue to provide growth and training for its Product EHS Divisional Working Group.
- VPG is also presently working on aligning Global EHS Product Compliance Procedures to support each of its Segments and Business Units worldwide.

ESG DATA TABLES



ESG DATA TABLES

Table 1: Sustainability Disclosure Topics and Accounting Metrics TC-ES

VPG utilizes the following SASB standards specific to several industries, where material to our business, as identified in Electronic Manufacturing Services, Hardware, and Semiconductors.

SASB TOPIC/CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	2023 RESULTS
Water Management TC-ES-140-a. 1	Total water withdrawn	Quantitative	Cubic Meters	96,910
Waste Management TC-ES 150-a. 1	Amount of hazardous waste from manufacturing, <i>percentage recycled</i>	Quantitative	Metric Tons (t), Percentage	1,975.7 Not Determined
Labor Practices TC-ES-310-a. 1	Number of work stoppages and total days idle	Quantitative	Number of days idle	0
Labor Conditions TC-ES320-a.1	Total recordable incident rate, near miss frequency rate for direct employees and contractors	Quantitative	Rate	0.47 (DART) 0.57 (TRI) 132.62 (NMFR)
TC-ES-320a.2	<i>Percent of entity's facilities and Tier 1 supplier facilities audited in the RBA Validated Audit Process or equivalent</i>	Quantitative	Percentage	0%
TC-ES-320a. 3	Non-conformance rate with RBA Validated Audit Process or equivalent and associated corrective action rate	Quantitative	Rate	N/A

SASB TOPIC/CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	2023 RESULTS
Product Lifecycle Management TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	N/A
Materials Sourcing TC-ES-440a.1	Description of the management risks associated with the use of critical materials	Discussion and analysis	N/A	Please see the Conflict Mineral -Responsible Sourcing Section

Source: Electronic Manufacturing Services & Original Design Manufacturing, Sustainability Accounting Standard, 2018-10

Table 2: Further Global Reporting Initiative (GRI) Topics and Metrics

VPG measures performance to select GRI Topics and Metrics, where applicable below.

GRI TOPIC/CODE	GRI METRIC	CATEGORY	UNIT OF MEASURE	2023 RESULTS
Total Electricity Consumption 302-1-c	Total Electricity Consumption	Quantitative	Mega Watt Hours (MWH)	29,762
Gross Direct GHG Emissions Scope 1 305-1-a	Scope 1 GHG Emissions	Quantitative	Tons of CO2 equivalent	12,740.2
Gross Location Based Energy Indirect Scope 2 305-2-a	Scope 2 Emissions	Quantitative	Tons of CO2 equivalent	12,722.5

Source: Consolidated Set of Global Reporting Initiative (GRI) Standards- 2024

Table 3: Further VPG Topics and Metrics

VPG measures further KPIs and Metrics, where applicable below, as of December 31, 2023 for all full-time VPG employees. The measurements do not include contractors and temporary employees.

VPG TOPIC	VPG METRIC	CATEGORY	UNIT OF MEASURE	2023 RESULTS
Business Ethics	Losses from Corruption/Bribery	Quantitative	USD	\$0
	Anti-Corruption/Bribery Training	Quantitative	Percent	49
Conflict Minerals	Suppliers Contacted	Quantitative	Number	436
	Suppliers Contacted	Quantitative	Percent	100
	Suppliers Response Rate	Quantitative	Percent	56
	High Risk Suppliers	Quantitative	Number	38
	High Risk Suppliers	Quantitative	Percent	9
Diversity	Nationalities Non-United States	Quantitative	Percent	83.6
	United States EEO-1, Non-White	Quantitative	Percent	40
	Gender- Board Composition	Quantitative	Percent	25
	Gender- Women in Total	Quantitative	Percent	48
	Gender- Women in Management	Quantitative	Percent	22.2
	Gender- Women in STEM	Quantitative	Percent	18.4
	Gender- Women in Sales	Quantitative	Percent	15.3

VPG TOPIC	VPG METRIC	CATEGORY	UNIT OF MEASURE	2023 RESULTS
Diversity	Age- Above 50	Quantitative	Percent	39.2
	Age- 30 to 50	Quantitative	Percent	46
	Age- Less than 30	Quantitative	Percent	14.8
EHS Compliance	Number of Regulatory Authority Inspections	Quantitative	Number	34
	Cost or Penalty for Non-Compliance from Regulatory Inspections	Quantitative	USD	\$300
	Community Complaints	Quantitative	Number	0
EHS Incidents	Days Away, Restricted or Transferred (DART) Cases	Quantitative	Number	14
	OSHA Recordable Cases	Quantitative	Number	17
	Near Misses and At-Risk Conditions	Quantitative	Number	3977
	Property Damage	Quantitative	Number	5
	Fatalities	Quantitative	Number	0
Employee Attrition	Number of Employees	Quantitative	Number	2420
	Employee Turnover-Total Turnover	Quantitative	Percent	23%
	Voluntary Turnover- Total	Quantitative	Percent	15%
Hiring	Total New Hires	Quantitative	Number	474
	Positions Filled by Internal Candidates	Quantitative	Number	17

VPG TOPIC	VPG METRIC	CATEGORY	UNIT OF MEASURE	2023 RESULTS
Hours	Site Hours Worked	Quantitative	Number	5,997,501
Information Security	Losses from Breaches, Penalties or Settlements	Quantitative	USD	\$0
ISO Certification	Quality	Quantitative	Percent	60
	Safety and Health	Quantitative	Percent	30
	Environmental	Quantitative	Percent	47
Product Quality	Number of Product Recalls	Quantitative	Number	0
Waste Recycling	E-Waste	Quantitative	Kilograms	159,336
	Battery	Quantitative	Kilograms	4,392
	Scrap Metal	Quantitative	Kilograms	414,219
	Other- Paper, Plastic, Cardboard, etc.	Quantitative	Kilograms	39,412
	Net Recycling Money Returned	Quantitative	USD	\$115,716
Working Conditions	Organized Employees in Trade Union	Quantitative	Percent	11%
	Work Stoppages	Quantitative	Number	0
	Safety Meetings	Quantitative	Number	209
	Safety Training Hours	Quantitative	Number	4013
	Government Penalties from Safety Violations	Quantitative	USD	\$300

VPG is a global leader in
**precision measurement
sensing technologies,**
addressing applications where
accuracy, reliability, and
repeatability make the difference.



PERFORMANCE THROUGH PRECISION

vpgsensors.com

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