

Code of Conduct

Our Values

Corporate Social Responsibility

The aim of this Code of Conduct is to define the professional standards we aspire to in all our activities and the standards we expect of our employees. ams AG sees this Code of Conduct as a key element in our relations with employees and third parties. It will therefore be issued as part of the terms of employment for all ams AG companies. The Executive Board insists on full compliance with this Code of Conduct.

Corporate Responsibility

Our principles at a glance

The primary endeavor of the ams AG Group is, to be the most innovative provider of high performance analog semiconductor solutions for power management, sensors and sensor interfaces, and mobile infotainment. Our goal is to create innovative products for the most challenging applications from our customers in these areas, and thereby to grow and to increase the value of the company. Throughout the world, whatever activities we engage in reflect recognized universal standards.

We afford benefits for the company – by minimizing risks, improving our reputation and forming an identity. We intend to continuously increase our level of dialogue with our stakeholders to take their interests into greater consideration and to facilitate innovation.

We recognize that many obligations in our Code of Conduct have already been practiced for years and are ingrained in our behavior and values. We are also aware of the fact that there is always a need for continuous improvement and enhancement, especially with regards to our stakeholder dialogue, environmental impact, process and design capabilities and our management systems.

Corporate Social Responsibility

The implementation of our Code of Conduct covers all core areas of corporate social responsibility:

- Employees
- Human Rights
- Health
- Security
- Environmental
- Community Relationship
- Corporate Governance including Business Ethics.

UN Global Compact

ams AG fully supports and agrees to adhere to the UN Global Compact and the ten principles contained therein in support of Human rights, Labor standards, Environment and Anti-corruption. It is our intention to strongly encourage and entice our business partners worldwide to join us in this endeavor. We accept the ten principles based on and deriving from the UN Declaration of Human Rights, the applicable declarations of the International Labor Organization and the Rio Declaration on Environment and Development as the framework and basis for improvements to our company guidelines and the continuing development of our Code of Conduct.

We have submitted our statement of commitment to all ten principles of the Global Compact and a commitment to submit an annual Communication on Progress (COP) to the Secretary-General of the UN. The company believes that these principles form a minimum of our commitment and we fully intend to attempt to exceed them where we can to improve the world we live and work in above these minimum principles.

We will use the ten principles as well as the UN Declaration of Human Rights to set goals within our company's continuous improvement program Fit for Success (FFS) to measure and drive meaningful improvements in accordance with the Global Compact.

1. Employee relations

1.1 ams AG employees

Our business success and reputation are based on our employees; their dedication, creativity and qualifications and above all on their motivation and willingness to learn. We are happy to recognize their individuality and their desire for personal responsibility. We take it as understood that they want to give their best and we want our corporate policies to encourage them to be proud and happy to work for us. They should be able to find and pursue opportunities for personal development in the workplace.

Successful employees have a high level of energy, a willingness to make decisions, a sense of urgency, and the ability to be flexible and enjoy working as a team with people from different cultures.

We strive to be one of the best companies to work for and to be a fair and responsible employer that promotes equal opportunities, modern forms of employee development and a positive and dynamic working environment.

1.2 Respect for fundamental employment rights

As a global enterprise, we operate in host countries with the most varied socio-economic and socio-cultural systems and are bound by relevant national regulations.

ams AG respects and complies the fundamental employment rights set out in international conventions of the United Nations (UN), the International Labor Organization (ILO), the Organization for Economic Cooperation and Development (OECD) and the UN Global Compact Initiative. We expect this commitment from all companies that do business with us but especially our suppliers.

1.3 Employee representation, interest groups

We respect the freedom of association and collective employee representation according to the local laws and regulations. We make every effort to work constructively with employee representatives.

1.4 Prohibition of child labor

ams AG assures and expects its suppliers and subsidiaries to only employ workers at or above the minimum age. This minimum employment age is laid down in several conventions of the International Labor Organization (ILO). These conventions regulate internationally valid lower limits. If a higher minimum employment age is valid in the country in which a supplier maintains its business premises, then the supplier must adhere to it. The prohibition of child labor is contractually assured in our supply chain.

1.5 Equal opportunities

It is our policy that all staff should enjoy equal opportunities. Employees and job applicants will not be discriminated against on grounds of age, race, faith or religion, skin color, nationality, ethnic origin, political or other beliefs, sex, sexual orientation, disabilities or family status. This principle means that the equal treatment must be applied to everyone under a given set of conditions.

1.6 Employment

Our personnel policy is based on long-term employment. Staff and organization should both benefit from long-term working relationships. With this in mind, we take special care in the selection of staff and attach great importance to education and training programs, to conditions of employment and to long-term career development.

1.7 Training and development

Our goal is to promote the economic well-being of the enterprise and the long-term employment and personal development of all our staff through training and other development measures. It is the responsibility of the relevant management together with the Human Resources Department to determine staffing requirements. Each employee is expected and encouraged to take ownership and responsibility for their personal development in relation to job skills required. Training and career planning is formally monitored on a regular basis using employee appraisals. We make sure that the company has the technical and managerial skills needed for our business development.

1.8 Remuneration policies

The policies of our organization require a modern and competitive system of salaries and wages to ensure that staff is remunerated fairly and at market rates. The system reflects the legal requirements, prevailing standards within the industry and local conditions. Our remuneration policies recognize performing individuals.

2. Health, safety & security

We take active technical, people-oriented and organizational precautions to avoid health, safety and security risks.

Our facilities worldwide are planned to high safety levels that exceed local authority regulations and meet the strictest industrial insurers' regulations. All systems are tested in regular practice drills to make sure that they work properly.

We attach great importance to the health of our employees at their place of work. When we send our employees abroad we provide them with medical care tailored to their individual needs and the requirements of the country in question.

The safety and security of our employees and all persons present at our sites is important to us. We provide periodical training courses to make our employees more safety-conscious and to give them practical skills in dealing with sources of danger. Preventive measures and active accident and incident avoidance through substantial improvements in workplace safety and analysis of potential risk factors allow us to optimize our workplace safety performance on an ongoing basis.

Human life is always the first priority for us, and we expect that staff members never – under any circumstances – risk their lives to protect ams AG’s property. We do, however, expect staff members to treat the equipment and information entrusted to them with appropriate care and to use these assets for their intended purposes. ams AG’s security standards and documents apply to all employees, consultants, partners and official guests of our company.

Only authorized persons are allowed to enter ams AG premises and have access to ams AG information. All employees are obliged to take any measures to avoid any risks for their own safety and safety of local residents.

Our company will take all necessary measures to avoid risks to the property of the company and others as well as precautions for damage mitigation.

3. Human rights

3.1 Human rights abuses

It is primarily the responsibility of governments to uphold human rights, but we also see it as our responsibility to use every suitable opportunity to encourage the observation of human rights even outside the area of our direct influence and to ensure security for ams AG. This applies particularly to our contacts with government offices.

Where we are the operator or responsible for managing operations and there are rumors of human rights abuses in the environment in which we are operating, we immediately undertake an objective investigation of the facts and the background circumstances and evaluate the extent of any abuse.

Where we are a minority stakeholder, we assess the operator's report critically and in cases of doubt commission an independent expert's review.

Where one of our operations requires the protection of armed security forces, as the operator or the manager responsible for operations, it is our duty to ensure that the greatest possible care is used in recruiting security personnel and that, where necessary, mandatory training is provided so that the recruits become familiar with and accept the basic requirements of respect for internationally recognized human rights.

3.2 We want to be ideal guests

It is a matter of principle for us to contribute to the creation of value in our host countries, as far as this is within our power in our areas of influence. Where we are the operator or responsible for managing operations, we endeavor to employ nationals of the host country in accordance with our principles of non-discrimination on the grounds of race, religious conviction, skin color, nationality, origin, age, political or other beliefs, sexual orientation, family situation or handicap. In such cases, we also accept the responsibility of providing these people with the benefits of our standards regarding employee rights and protection.

In partnership situations, we do our utmost to ensure that our partners apply similarly high standards, and if necessary we help implement them. Our Code of Conduct is also the basis of our collaboration with contractors.

Wherever we operate, we behave with the express intention of taking as our model the highest standards for health, safety, security and the protection of the environment and with the aim of continually improving our performance in these respects. Our health, safety, security and environmental protection policies form an integral part of our corporate mission, from which our business segments and Group companies derive their aims. All our efforts focus on the continual improvement of environmental quality and safety standards as well as security best practices throughout the Group.

4. Environment

ams AG is committed to responsible, visionary environmental management. Based on this commitment, ams AG has been one of the first semiconductor manufacturers to be certified in accordance with ISO 14001.

Through innovation and its products, ams AG influences not only future technical development in the field of electronics, but also - with environmentally-friendly and resource conserving activities - looks to maintain and continuously improve high corporate environmental standards contributing to the conservation of an environment worth living in.

We take proven and economically effective technologies as a basis and accept responsibility for the health, safety and security of our employees.

We emphasize increasing energy efficiency, improved recycling levels and the reduction of emissions and waste to a minimum. Our plants, processes and products are developed using state-of-the-art environmental and safety technologies. Our staff is responsible for the occupational safety of their operations and for actively protecting the environment. The qualifications of our staff are kept up-to-date by ongoing training programs.

Modern environmental technologies for minimizing emissions into air and water, up-to-date management of waste and wastewater are standard practices in our organization.

Climate protection and renewable energy sources

We see the climate debate as an important contribution to environmental stability and participate actively in it. Over and above that, we accept without reservation the need for active measures to reduce greenhouse gases. This means that in our own production processes we employ the latest emission reduction technologies and are careful in our use of natural resources. We recognize the need of a shift to renewable sources of energy supply and emphasize programs to achieve that goal.

We stipulate that our suppliers comply with our environmental rules and additionally all key suppliers must be certified according to ISO 14001.

5. Relationships with our environment

It is our conviction that policies which encompass full information, mutual respect and open and honest behavior are in the long term the best foundation on which to build and maintain good relationships with the many different stakeholders in the environment in which we work. We are happy to work in close cooperation with all our contacts in this environment and believe that there are benefits for all parties to be gained from an effective collaboration. We work with partners and contractors who respect our organizational policies and encourage best practices through a process of continuous improvement for ourselves as well as our partners.

Integrity and trust can be badly affected by personal conflicts of interest. Openness with respect to underlying interests is important to us. We pay attention to personal interests and motivation and to the negative effects that our activities can have on them. We make a conscious effort to communicate our business policies – both existing ones and those still being developed – comprehensively and in detail in order to make clear what we expect from our partners and contractors and what our stakeholders can expect from us. We maintain an open and pro-active dialogue with community authorities and organizations and with our neighbors.

5.1 Customers and the interests of consumers

We focus on the demands of the market and contribute to excellent and enduring relationships with customers and consumers through innovation, the creation of modern and environmentally conscious products, the quality of our services and through our application specific know-how. We register our customers' requirements systematically and use them to develop new and more efficient product applications. We will not engage in product developments or customer relationships which do not support our corporate goals in ethics and best practices.

In developing products, in choosing raw materials and in processing, we make extraordinary efforts to safeguard the benefits that our customers derive and to ensure their safety, satisfaction and quality of life, while at the same time maintaining our goals of sustainable long term high levels of profitability. Appropriate profitability allows the company to maintain high levels of investments in products which will improve the satisfaction and quality of life of our customers and their customers. We expect our products to retain their quality throughout the expected design-life, and we also attach special importance to sustainability in our supply chain.

In the interest of our customers we undertake to evaluate the risks associated with our products on the basis of the latest available scientific knowledge and to communicate the results to customers together with appropriate instructions for the proper use and application of the products we make.

5.2 Collaboration with educational institutes at all levels

Where we see mutual advantages, we contribute our knowledge and expertise in applied research and technology, and acquire new insights by commissioning scientific research projects and reviews in exchange. In our search for valuable synergies, we collaborate and cooperate with Austrian, European and other international partners and contractors.

We are making positive contributions to the establishment of national and international norms in collaboration with technical and scientific organizations and other interest groups. Our approach to the development of laws and norms is proactive, with particular emphasis on participation in pre-legislative consultation.

Our function in the political environment as we see it is to provide expert services: Wherever there is an acknowledged need for specific, relevant information to support decision making, we can make accurate factual information available. We are interested in economic, environmental and social policies, but not in politics, and we respect national sovereignties. Financial support for political functionaries or organizations can be misinterpreted. We are neutral in politics and do not make donations to candidates for public or political office or to political parties. At the same time we evaluate government policies in commitment to the principles we guide our actions by and will not invest in countries where principles we believe in are not supported.

5.3 Neighborhood environment and local residents

We maintain an open dialogue with community authorities and organizations and with our neighbors. We aim to create a climate of confidence in which all those affected by our presence and our operations can articulate their interests. Where there are conflicts of interest, we seek mutually acceptable solutions.

5.4 Communications

We believe in open communication within and outside the organization. In our external communication we place great value on close and constructive cooperation with media representatives and on seeing to it that their individual information requirements are satisfied with timely information adapted to their needs.

Employee information is considered of great importance by the Executive Board. It is provided in the form of agreed goals and objectives, meetings, personal presentations, ams AG' – electronic portal, in electronic form and via print media. Regular meetings with our global employees are an integral part of our management style. In matters materially affecting the Group's public image the Executive Board assumes responsibility for communications.

We maintain open contacts with trade associations and organizations and relevant interest groups. As a listed company, we are subject to strict regulations. In addition to this, our governance also includes farther-reaching voluntary standards of conduct and management principles that create a solid basis for trust through sound business ethics, prudence and integrity.

6. Supply chain

For our suppliers too, a large proportion of the value added is generated in the supply chain. It is therefore important to us, that our suppliers take active steps to promote and implement compliance with our code of conduct or that they implement their own equivalent code of conduct in their supply chain.

7. Governance

7.1 Business ethics, Prohibition of corruption and bribery

ams AG expects the highest standards of integrity in all business interactions. We prohibit any and all forms of corruption, extortion and embezzlement and have monitoring and enforcement procedures implemented to ensure conformance. Bribes or other means of obtaining undue or improper advantage are not offered or accepted. Information regarding business activities, structure, financial situation and performance is only to be disclosed in accordance with applicable regulations and prevailing industry practices. We respect Intellectual property rights; transfer of technology and know-how is to be done in a manner that protects intellectual property rights. ams AG upholds standards of fair business, advertising and competition. Appropriate means to safeguard customer information are available. Programs that ensure the confidentiality and protection of supplier and employee whistleblowers are maintained.

7.2 Capital market and shareholders Compliance according to securities trading law

Our company is listed at the SIX Swiss Stock Exchange in Zurich. As a publicly listed company, we abide by all applicable legal rules and regulations regarding disclosure in our countries of listing and domicile. We follow the regulations of the Swiss Corporate Governance Directive and have voluntarily committed to comply with the regulations of the Austrian Corporate Governance Codex to the extent they are applicable to us. Detailed information on Corporate Governance is included in our Annual Report which is available on our web site and as a printed document.

We pursue a financial communication policy in accordance with accepted international standards and all applicable legal requirements to ensure equal treatment of all shareholders in the same circumstances, based on the principle of “one share, one vote”. Financial information is released regularly and simultaneously to shareholders, capital markets, the press and employees.

To prevent insiders from taking advantage of information that is not available to the general public we require all employees to follow a recommendation on trading in ams AG securities which is available on our intranet. The document stipulates trading periods for employees where trading activities are permitted. Specific additional confidentiality requirements in areas in which insider information may arise ensure that such information is not misused. Transactions by Executive Board and Supervisory Board members involving ams AG securities are disclosed in accordance with the relevant Swiss regulations on the web site of the SIX Swiss Stock Exchange which is accessible via our web site.

7.3 Monitoring and Sanctions

The implementation of this policy is monitored by internal and external audits as well as by regular employee surveys. Questions about the application or meaning of this policy or potential violations are to be reported to superiors. In cases of serious violations, local Human Resource management, Legal, Security and line management closest to the issue will conduct the investigations. Acts inconsistent with this policy must be corrected and disciplinary actions can lead up to the termination of employment. There will be no adverse work related consequences as a result of an employee reporting the violations of this policy.

References

The following standards were used in preparing this Code and may be a useful source of additional information.

ams AG

www.ams.com

ILO Code of Practice in Safety and Health

www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

National Fire Protection Agency

www.nfpa.org/catalog/home/AboutNFPA/index.asp

ILO International Labor Standards

www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

OECD Guidelines for Multinational Enterprises

www.oecd.org

United Nations Convention against Corruption

www.unodc.org/unodc/en/crime_convention_corruption.html

United Nations Global Compact

www.unglobalcompact.org

Universal Declaration of Human Rights

www.un.org/Overview/rights.html

ISO 14001

www.iso.org

Ethical Trading Initiative

www.ethicaltrade.org/

ams AG Quality Management System

www.ams.com/eng/Company/Quality

ams AG Environmental Policy

<http://www.ams.com/eng/About-ams/Corporate-Social-Responsibility>