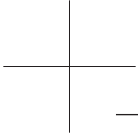


SULZER

Sustainable Sulzer

Sustainability report
2022



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“Our solutions bring together the capabilities of industry to meet the sustainability challenges and reconcile the needs of society with those of the planet.”



+

Suzanne Thoma,
Executive Chair



We enable our customers to significantly reduce their CO₂ emissions

Sulzer stands for innovation and industrial heritage. For 200 years, we have been constantly reinventing ourselves and we are only at the beginning of a new phase of transformation. At the heart of this transformation is a commitment to accelerate our transition to clean, affordable, and reliable technologies. Today, we already have a very comprehensive offering that addresses some of the most pressing environmental challenges facing the planet, and we want to develop this offer significantly.

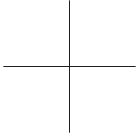
We are a major player in the water sector. Already today, 280 million people in the world have access to drinking water, thanks to our products. But there is still a lot to do when you consider that 45% of the world's population has little or no access to water.

We are also active in the field of decarbonization. Our solutions enable the transformation of waste into fuel and capture CO₂ emissions from power plants.

The energy efficiency of our products is another strength of ours. We offer flow management solutions that reduce the usual energy consumption by 35%.

We also extend the lifetime of our products, thereby reducing the carbon cost over the whole life cycle.

Last but not least, we are very active in the field of the circular economy. We are the leading provider of biobased polymers, such as polylactic acid, and we pioneer competitive biopolymer processes and plastic recycling technologies.



We have the privilege of being present in many areas critical to the reduction of greenhouse gases. However, our commitment goes beyond the solutions we offer to our customers. We believe that we must also lead by example, taking decisive actions to minimize our impact on the environment.

Our goal is to reduce our CO₂ emissions by 30% by 2030 and to become carbon-neutral by 2050. We have already achieved our first target, having reduced our emissions by 30% by 2022. We also have a waste recycling target of 80% by 2025, and are making good progress year on year, with a recycling rate of 67% in 2022.

Finally, we are very much aware that we cannot achieve our ambitious goals without a committed, innovative, and competent workforce. Through a variety of initiatives, we engage our employees and promote their well-being and safety. We invest into their development and learn from their feedback to create a work environment where everyone can thrive and make a difference.

Together, we press ahead, once more at the forefront of the industry, to reconcile the needs of society with those of the planet.

Dr. Suzanne Thoma,
Executive Chair

Waste management successes at Turbo Services Houston



Turbo Services Houston QESH team.

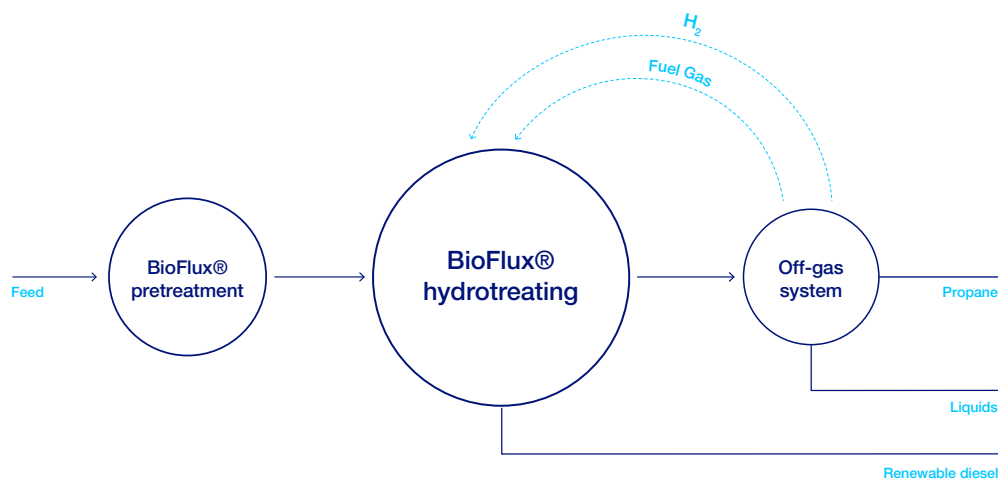
Turbo Services Houston has improved waste management practices to align with Sulzer's fourth pillar of sustainability: minimizing the carbon footprint, enabling a low-carbon society, and engaging employees and communities. Our waste recycling rate jumped from 44% in 2021 to 63% in 2022. We started by evaluating all waste streams, including how waste was generated, separated, and contained. We then determined if waste could be reduced, repurposed, recycled, or sent for incineration.

Our waste recycling rate jumped from 44% in 2021 to 63% in 2022.

Key for us was establishing relationships with local businesses and waste management providers that follow regulatory requirements and can reduce the waste we send to landfill. To vet vendors, we request transparency with licensing, permits, certificates of insurance, and a clear explanation of services provided.

This ensures that we follow local, state, and federal regulations, with the potential to expand services to other sites. We have encouraged employees to keep waste streams separate and to increase recycling efforts by providing more education and resources. All of this has helped us establish a waste management program that is more sustainable.

Sulzer BioFlux technology: “from fat to renewable fuel”

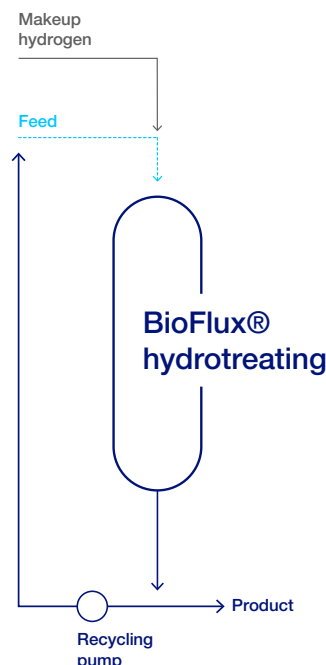


In 2022 two contracts were awarded to Sulzer Chemtech for BioFlux technology in our Asia-Pacific region. This technology processes pretreated fats, oils, and greases with dissolved hydrogen and catalytic isomerization to create renewable diesel or synthetic aviation fuels. This drop-in fuel has no blending limitations, a key advantage in powering multiple vehicles.

The Sulzer technology provides a less capital-intensive process, lower operating costs, and improved efficiency: hydrogen consumption is reduced by 50% to 75%. This reduction in hydrogen usage combined with higher product yields results in plant savings of 130 kt/a CO₂e for production of 500 kt/a (10'000 barrels per day).

With Sulzer-licensed technology, Energy Absolute, one of Thailand's biggest renewable energy companies, will produce high-quality renewable diesel or hydrotreated vegetable oil (HVO) to supply North American and European markets and expand its portfolio to include sustainable aviation fuel (SAF). This will open up new growth opportunities. In addition, Vandelay Ventures Sdn Bhd will build a world-scale production facility in Malaysia to power the world with its 250'000 metric tonnes (t) per year of renewable fuels (SAF and renewable diesel) while maintaining low emissions.

[For more information, read Sulzer's press release.](#)



BioFlux reaction zone configuration. Liquid recycling is used to deliver hydrogen and pre-heat the hydrocarbon feed.

Volunteering for a cleaner world



Our Nordic Water team in Gothenburg, Sweden, has successfully organized several clean-up activities. In 2022, it maximized its impact with a new emphasis on community involvement.

“Coordinating our efforts with those of others by registering them with the relevant organizations was very important to us – it ensures that the activity has maximum impact. The great support from our management team was also key, with employees being able to record their volunteering as work time.”

Sadaf Saremi, Sustainability Manager and one of the organizers of the clean-up



The team coordinated their activity with the World Cleanup Day action and registered their clean-up with the Swedish Institute for Marine Research at the University of Gothenburg. The West Coast Trust, a collaboration partner of the institute, sponsored gloves and trash bags made from recycled plastic. These items were recycled again after the clean-up.

About 30 Nordic Water employees gathered on June 20 at Stora Amundön natural park to collect all types of waste – from discarded plastic cups to cigarette butts and abandoned fishing nets. A fun quiz game complemented the clean-up activity, offering educational insights through friendly competition. Participants enjoyed a company-sponsored barbecue and the opportunity to interact informally.

“The clean-up was a fantastic experience. We were divided into teams and competed to see which group could collect the most waste from the beach and woods at Stora Amundön. I felt very proud to see the beautiful natural park free from any pollution after our clean-up.”

Nancy Yang, Application and Process Specialist and a clean-up participant



Company presentation and business model

Sulzer was founded in 1834 in Winterthur, Switzerland, and employs approximately 13'000 people. Following the spin-off of the Applicator Systems (APS) division, now medmix, which was successfully completed in 2021, Sulzer has become a pure-play flow control company with a technology portfolio in growth markets driven by sustainability. The company operates its portfolio with attractive exposure to macro trends such as water systems, including the maintenance and replacement of wastewater, clean water, and desalination systems, and renewables used in biopolymers, biofuels, and biochemicals.

Sulzer provides products, services, and solutions in more than 100 countries around the world. Its total sales volume reached CHF 3'425.4 million in 2022. The region-based sales and marketing of some 180 production and service locations facilitate the development and maintenance of long-standing local relationships with the company's customers. To best serve its customers, Sulzer has organized its businesses into three regional reporting segments: Europe, Middle East and Africa; Americas; and Asia-Pacific.

Aftermarket sales generate 50% of revenues. The installed base of flow equipment, and chemical processing and separation technologies is serviced by Sulzer. While Sulzer serves customers across different sectors, its four core end-markets are energy, chemicals, industry, and water. In 2022, water accounted for the largest share of orders for pumps, followed by industry and then energy.

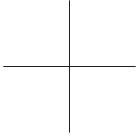
The company is organized into three dedicated and highly specialized divisions, each with its own global footprint and industry-leading expertise.

More information about Sulzer Ltd:

- For a list of the major subsidiaries of Sulzer, consult the [Sulzer Annual Report 2022](#), Note 37 to the consolidated financial statements.
- For detailed information on Sulzer's capital structure, please refer to the chapter Capital structure in the [Sulzer Annual Report 2022](#).
- For information on shareholders that have reported shareholdings of over 3% or a reduction in shareholdings to below 3%, please refer to the website of the Disclosure Office of [SIX Swiss Exchange](#).

Sulzer Ltd is a company domiciled in Switzerland. The company's registered office is in Neuwiesenstrasse 15 in Winterthur, Switzerland.

Sulzer Ltd is listed on SIX Swiss Exchange in Zurich, Switzerland. Symbol: SUN, securities no. 3838891/ISIN CH0038388911.

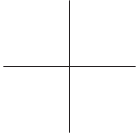


150 years of history in Germany

In 2022, employees and dignitaries gathered at Sulzer Pumpen (Deutschland) GmbH to celebrate the 150th anniversary of the former industrial company founded by the Weise family. Rudolf Ernst Weise and Alexander Monski started their first business in Halle (Saale) in 1872, producing steam engines, piston pumps and other equipment for the sugar industry. In 1952, a new factory opened in Bruchsal, ready to expand with 161 employees.

1972 saw the company fully acquired by the Sulzer Corporation from Winterthur, Switzerland (which had been a part-owner since 1965). The company continues to build on its rich history with new advances in various fluid-based processes and systems and by delivering sustainable, highly efficient technologies.





Flow Equipment

The Flow Equipment division specializes in pumping solutions specifically engineered for our customers' processes. Sulzer provides pumps, agitators, compressors, grinders, screens, and filters developed through intensive research and development in fluid dynamics and advanced materials. The company is a market leader in pumping solutions for water, oil and gas, power, chemicals, and most industrial segments.

Services

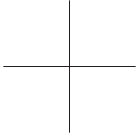
Through a network of over 100 service sites around the world, Sulzer provides cutting-edge parts plus maintenance and repair solutions for pumps, turbines, compressors, motors, and generators. Sulzer services its own original equipment and all associated third-party rotating equipment run by customers, maximizing sustainability and life-cycle cost-effectiveness. Through its technology-based solutions, fast execution, and expertise in complex maintenance projects, the company delivers unrivalled service to meet customers' operational needs – anywhere, anytime.

Chemtech

The Chemtech division is the global market leader in innovative mass transfer, static mixing, and polymer solutions for chemicals, petrochemicals, refining, and liquefied natural gas. Sulzer is leading the way in environmentally friendly solutions such as biobased chemicals, polymers and fuels, recycling technologies for textiles and plastic, and carbon capture and utilization/storage, contributing to a circular and sustainable economy. The product offering ranges from process components to complete process plants and technology licensing.

Read more on order intake by market segment and region for each division in the Annual Report 2022:

- [Business review Flow Equipment](#)
- [Business review Services](#)
- [Business review Chemtech](#)

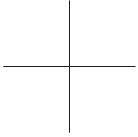


Supplier Code of Business Conduct

Sulzer is committed to supplying our customers with best-in-class products and services across the globe. Our suppliers play a key role in helping us serve our customers, and we are proud to collaborate with others who share our values of quality, sustainability, social compliance, and excellence. Sulzer maintains a compliance program requiring all Sulzer companies to behave ethically and in a compliant manner. Our suppliers and service providers must enter into commitments and ensure that their organizations and sub-suppliers also act in line with Sulzer's ethics and compliance standards.

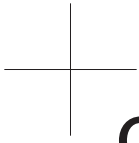
Suppliers commit to follow these principles when providing goods or performing services for a Sulzer company:

- Comply with all applicable laws, rules, statutes, and regulations, including but not limited to all applicable anti-corruption, antibribery, antitrust, competition (including unfair competition), modern slavery, tax evasion, money-laundering, and criminal laws.
- Respect the 10 Principles of the UN Global Compact, including but not limited to not using child or forced labor, respecting internationally proclaimed human rights, promoting supply chain transparency and integrity regarding "conflict minerals", not discriminating in employment, acting responsibly regarding the environment and worker safety, and actively working against corruption in all forms, including extortion and bribery.
- Respect the personal dignity, privacy and rights of each individual and prohibit behavior that is coercive, sexual, threatening, abusive, or exploitative.
- Take all appropriate and reasonable security arrangements to prevent unauthorized access, collection, use, disclosure, copying, modification, disposal, or similar risks in relation to any personal data received and collected from Sulzer.
- Keep accurate business and financial records of all transactions related to their business with Sulzer and be ready to provide such records upon request. Protect and ensure that all information provided by Sulzer is kept confidential, and safeguard and process intellectual property in the best interests of Sulzer.

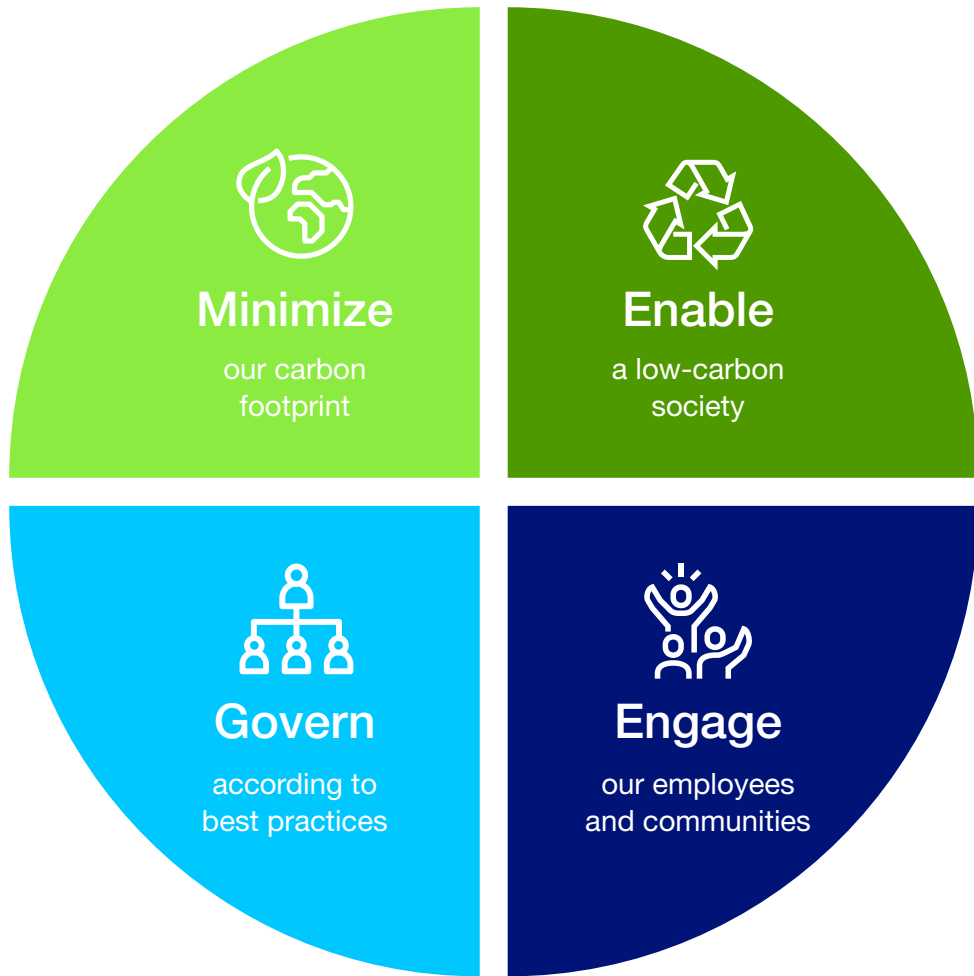


- Act in compliance with the requirements of all applicable export laws, including but not limited to respecting the obligation to obtain all required authorizations or licenses for the export or re-export of any goods or technology.
- Grant Sulzer access to relevant supplier documents in the event of reasonable suspicion of violation of this Supplier Code of Business Conduct.

Sulzer has a digitalized and centralized supplier qualification process that ensures compliance. In addition to technical process qualification for key processes related to the required scope of supply, Sulzer's supplier qualification process starts with an ESG (environment, social, governance) evaluation and contractual clauses referring to the Code of Business Conduct. Suppliers are regularly assessed, and on-site audits are completed for the focus group, leading to jointly agreed supplier development plans. The ESG questionnaire not only covers environmental items but also includes ESG-critical questions. This means that at the selection stage, suppliers are assessed against Sulzer's minimum ESG requirements. Non-compliant answers lead to further assessment and clarifications with the supplier. Findings on existing suppliers are further evaluated and corrected over time; new suppliers are not approved for purchasing if there are unresolved findings. Suppliers can be contracted after successful verification of improvements by Sulzer. During 2022, the ESG questionnaire was enhanced based on internal and external feedback and our experience and learnings. Sulzer's approach will be strengthened in 2023 to further assess our incumbent suppliers against ESG criteria.



Our four-pillar sustainability approach



30%
emission reduction
by 2030

Carbon-neutral
by 2050

Shift towards
cleantech

85%
of employees
engaged



Management approach and sustainability framework

Integrated sustainability governance

Since the inception of Sulzer's sustainability strategy in 2021, sustainability is included in every aspect of our business processes. It is put into action through dedicated multi-year programs aiming at driving continuous improvement. Our sustainability performance is regularly reviewed by management and is part of Sulzer's standard business review process.

The Board of Directors is responsible for steering Sulzer's sustainability efforts. It ensures that Sulzer's solutions contribute to protecting the environment, that people and communities are safe, and that suitable management processes and systems are in place.

The Strategy and Sustainability Committee advises the Board of Directors on strategic matters (such as material acquisitions, divestitures, alliances, and joint ventures), strategic planning, and the definition of development priorities and Sulzer's sustainability initiatives and objectives as well as on other relevant public policy matters.

The CEO leads the company's efforts to address sustainability challenges and opportunities, and in ensuring that the company is taking appropriate actions to position itself for long-term success in a sustainable economy.

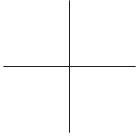
The CEO takes part in all committee meetings. Depending on the topic, other members of the Executive Committee may also be invited.

At the level of the Executive Committee, the Chief Human Resources Officer and Chief Sustainability Officer (CHRO–CSO; referred to as CSO in this report) is responsible for the development and operational deployment of the sustainability strategy. The CSO is supported by a full-time Group Head of Sustainability and a dedicated organization involving different working groups within the divisions.

Read more on the Board of Directors and the Strategy and Sustainability Committee in the Sulzer Annual Report 2022, [Governance](#).

The regulations of the Strategy and Sustainability Committee can be viewed at [sulzer.com](https://www.sulzer.com).

Read more on how environmental, social and governance (ESG) factors are integrated into Sulzer's compensation architecture for the CEO and Executive Committee (EC) members in the Sulzer Annual Report 2022, [Governance](#).



Compliance and risk management

Sulzer has a Legal, Compliance and Risk Management group function headed by the Group General Counsel. Within this organization, a line reporting structure is in place for the three regions. The local compliance officers ultimately report to the Group General Counsel via regional compliance officers and the Chief Compliance Officer. In addition, the Compliance and Risk Management team based at headquarters steers and runs the Group-wide compliance program and all compliance investigations. To ensure the consistent rollout of Group compliance initiatives, the compliance organization uses direct reporting lines.

The Group General Counsel informs the Board of Directors and the Executive Committee regularly about legal matters and key changes in legislation that may affect Sulzer, as well as important litigation.

Sustainable Sulzer

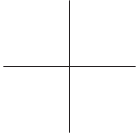
In 2021, under the leadership of our Chief Sustainability Officer, Armand Sohet, we launched a comprehensive sustainability strategy: Sustainable Sulzer. The overall management approach is to set a lean direction and framework with clear objectives and measurable KPIs. The plan is composed of four pillars: Minimize, Enable, Engage, and Govern. The first three pillars encompass all of Sulzer's action spheres, while the fourth pillar, Govern, is assigned to the action sphere of the Board of Directors and the Executive Committee of Sulzer. Each of the four pillars consists of four subsegments, or fields of action.

Read more about the Sustainability directives on [sulzer.com](https://www.sulzer.com)

Human rights due diligence

Sulzer pursues its efforts to perform due diligence in its value chain in the field of human rights with a focus on implementing the requirements of the Swiss Responsible Business Initiative (Konzernverantwortungs-Initiative) and taking into consideration other global standards (e.g., United Nations Global Compact (UNGC) guiding principles on business and human rights, Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises, International Labour Organization (ILO) standards) and similar laws, for instance in Germany or at continental level with the European Union. The aim is to implement a robust framework to respect human rights and remedy violations within Sulzer's own organization and its supply chain.

Read more about the human rights directive on [sulzer.com](https://www.sulzer.com)



In 2022, Sulzer interacted with its suppliers and learned that its sustainability questionnaire required some upgrades to clarifications of expectations. Our newly streamlined, focused due diligence questionnaire is designed to detect possible violations of fundamental human rights, in particular child and forced labor. Sulzer follows a risk-based approach based on its salient human rights issues criteria, such as locations and sectors with the highest risks of violations. Sulzer uses a respected external database to identify such focused areas. In 2022, we took a new step forward by issuing our Sustainable Sulzer, human rights and child rights directives, all signed by our CEO.

Read more about Sulzer's child rights policy on [sulzer.com](https://www.sulzer.com)

This frames our commitments and expectations and sets minimum ESG (environment, social, governance) requirements for Sulzer, which apply to our own operations and supply chain. These have been communicated internally through our social media channels and externally on our website.

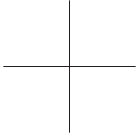
Global ESH network enabling sustainable behavior and waste working group

Sulzer's global Environment, Safety and Health (ESH) network is driven to protect employees and the environment. The Group Sustainability function is responsible for designing the ESH strategy, corporate ESH culture, processes, and programs to steer excellence. It also develops our global ESH community.

The ESH network comprises a team of fewer than 100 ESH specialists across the organization who support management in continuously improving environmental and safety and health performance.

In addition, the production and service sites are certified according to ISO 9001, ISO 14001, and ISO 45001 as per our internal ESH management system.

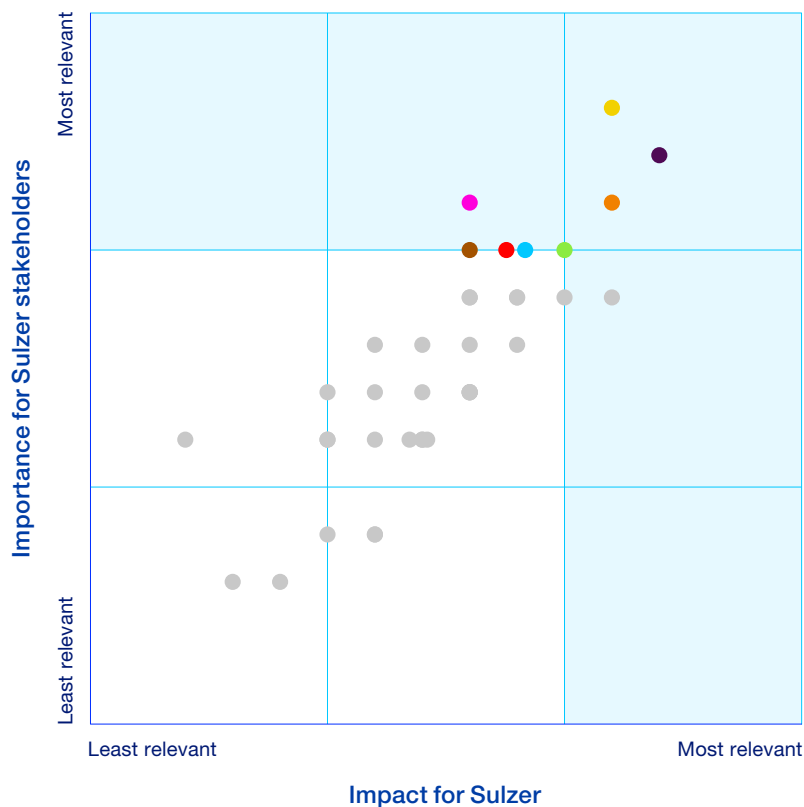
Within Sulzer, a working group was founded in 2022 to improve its waste management. The "Sulzer waste management" group consists of a variety of Sulzer representatives including but not limited to Group and division ESH representatives, Group Real Estate, Operations, and selected talents at site level. The working group acts as an enabler of projects driving down Sulzer's waste footprint. It is active in sharing good practices to inspire other units, communicating results to increase engagement, and delivering on Sulzer's promises. This working group is led by the Group function ESH.



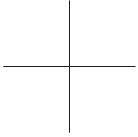
Identification of material topics

Initiated in 2021, Sulzer continued its stakeholders' engagement survey throughout 2022. The survey was conducted using an online tool and covered about 80 questions around environmental, social, and governance topics. Stakeholders were mapped and included employees, the EWC (European Work Council), customers, business partners, suppliers, and selected NGOs (non-governmental organisations). The survey results validated Sustainable Sulzer which comprises 16 fields of action.

Materiality matrix



- Compliance
- Safe and healthy workplace
- Data protection
- Child and forced labor
- Social justice
- Fair business relationships
- Business integrity
- Energy efficiency



Main targets set

We aim to minimize Sulzer's carbon footprint, enable a low-carbon society through our products and contributions to the circular economy, and engage our employees and communities to build a safer, more inclusive, and more sustainable future. We have set ambitious targets for our emissions: we want to achieve a 30% reduction in our carbon footprint by 2030 and be carbon-neutral by 2050.

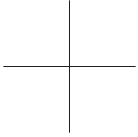
In 2022, we defined new targets of zero waste to landfill and at least 80% of waste recycled by 2025. To protect our workers, we set a new injury frequency target of 1.1 and of below 1 beyond 2022. In 2023, we will also strive to reduce the accident severity rate to well below 30.

In 2022, Sulzer participated in the UN Global Compact Initiative on Target Gender Equality. We have a minimum target of 16% of women in top management. This figure corresponds to an objective of parity with the current gender distribution in the company. Currently, 16% of Sulzer's workforce is female, and we want this figure to be reflected in the company's management. We also want to increase the proportion of women in the company to 20% by 2025, maintaining the same principle of parity in senior management.

Global Reporting Initiative (GRI)

It is our goal to work toward reaching full compliance with GRI standards in our reporting. For this report, we have referenced our content to the GRI standards. Sulzer applies the reporting principles for report quality: accuracy, balance, clarity, comparability, reliability, and timeliness. We also apply the reporting principles for defining report content on sustainability context and completeness.

We follow the GRI 3-1, 3-2, and 3-3 guidance on describing our management approach on sustainability topics. Furthermore, we apply GRI standards to four of our defined material topics regarding the environment: GRI 302 (2016): Energy, GRI 303 (2018): Water and Effluents, GRI 305 (2016): Emissions, and GRI 306 (2020): Waste.



For the social and governance material topics, we apply the following GRI standards:

- GRI 408 (2016): Child Labor
- GRI 409 (2016): Forced or Compulsory Labor
- GRI 418 (2016): Customer Privacy
- GRI 2-26; 2-27 (2021): Compliance
- GRI 207 (2019): Tax
- GRI 406 (2016): Non-discrimination
- GRI 415 (2016): Public Policy
- GRI 416 (2016): Customer Health & Safety
- GRI 417 (2016): Marketing & Labeling
- GRI 403 (2018): Occupational Health & Safety
- GRI 401 (2016): Employment
- GRI 402 (2016): Labor/Management Relations
- GRI 405 (2016): Diversity & Equal Opportunity
- GRI 204 (2016): Procurement Practices
- GRI 205 (2016): Anti-corruption

Greenhouse gas reporting GHG

Sulzer is committed to following the Greenhouse Gas Protocol (GHG) set by the World Business Council for Sustainable Development and acts accordingly. Our corporate carbon footprint (CCF) reports are disclosed on our website.

Read more on how we measure our emissions in the [Minimize chapter, Greenhouse gas emissions.](#)

United Nations Global Compact

Sulzer takes part in the United Nations Global Compact (UNGC) initiative and is a member of the UNGC Switzerland and Liechtenstein local network. We report on our progress (Communication on Progress or CoP) in accordance with the UNGC requirements. Single elements that correspond to the Sustainable Sulzer report are integrated into this report.

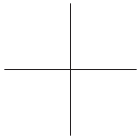
The CoP is available as a download on [sulzer.com](#).

Sulzer's contribution to the Sustainable Development Goals (SDGs)

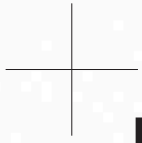
While Sulzer does not directly report on the SDGs or map the SDGs to GRIs, an impact map of Sulzer's sustainability policies and operations shows the main areas of direct relation to the SDGs.

SDGs supported by Sulzer

SDG	Sulzer's impact	Sphere of action	Key achievements
	Direct	Engage: mobilize, include	<ul style="list-style-type: none"> → 11'000 employees accessing Sulzer Learning Platform → 634 participants in Sulzer management programs → 200 apprentices → 35 young women in WISE program
	Direct	Engage: include Govern: Board of Directors, behavior	<ul style="list-style-type: none"> → Pay parity in Switzerland → Participant of the UN Global Compact Target Gender Equality program
	Direct	Minimize: water consumption Enable: water treatment	<ul style="list-style-type: none"> → 6% reduction in water withdrawal vs 2021 → 83% of waste water treated off-site → CHF 502 million of order intake are Water related
	Direct	Engage: protect, listen Govern: behavior, control	<ul style="list-style-type: none"> → 87% engaged employees → 3'500 participants in Sulzer in Motion → 0.9 our accident frequency rate
	Direct	Engage: protect, mobilize Govern: behavior, compensation	<ul style="list-style-type: none"> → 88% of employees feel respected → 90'000 indirect jobs
	Direct	Minimize: energy consumption, greenhouse gas emissions, waste, water consumption	<ul style="list-style-type: none"> → 50% of site with decarbonised electricity → 1'000 Sulzer products in our buy-back programs
	Direct	Minimize: energy consumption, greenhouse gas emissions Enable: low-carbon society	<ul style="list-style-type: none"> → 30'000 tonnes of CO₂ saved yearly with our retrofit capabilities → 30% carbon footprint reduction vs. baseline
	Direct	Govern: Board of Directors, control, behavior	<ul style="list-style-type: none"> → 127 compliance reports → 21'800 people trained in ethics
	Direct	Govern: behavior Sulzer supports all SDGs through partnership and through the UN Global Compact	<ul style="list-style-type: none"> → 105'000 Euro donated for Ukraine → CHF 87.3 million taxes paid



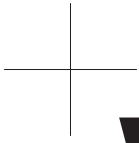
SDG	Sulzer's impact	Sphere of action
	Indirect	Through Goals 4 and 10
	Indirect	Through Goal 10
	Indirect	Through Goals 6, 8, 10, 12, and 13
	Indirect	Through Goals 8 and 12
	Indirect	Through Goal 13
	Indirect	Through Goals 6, 8, 12, and 13
	Indirect	Through Goals 6, 12, and 13
	Indirect	Through Goals 6, 12, and 13



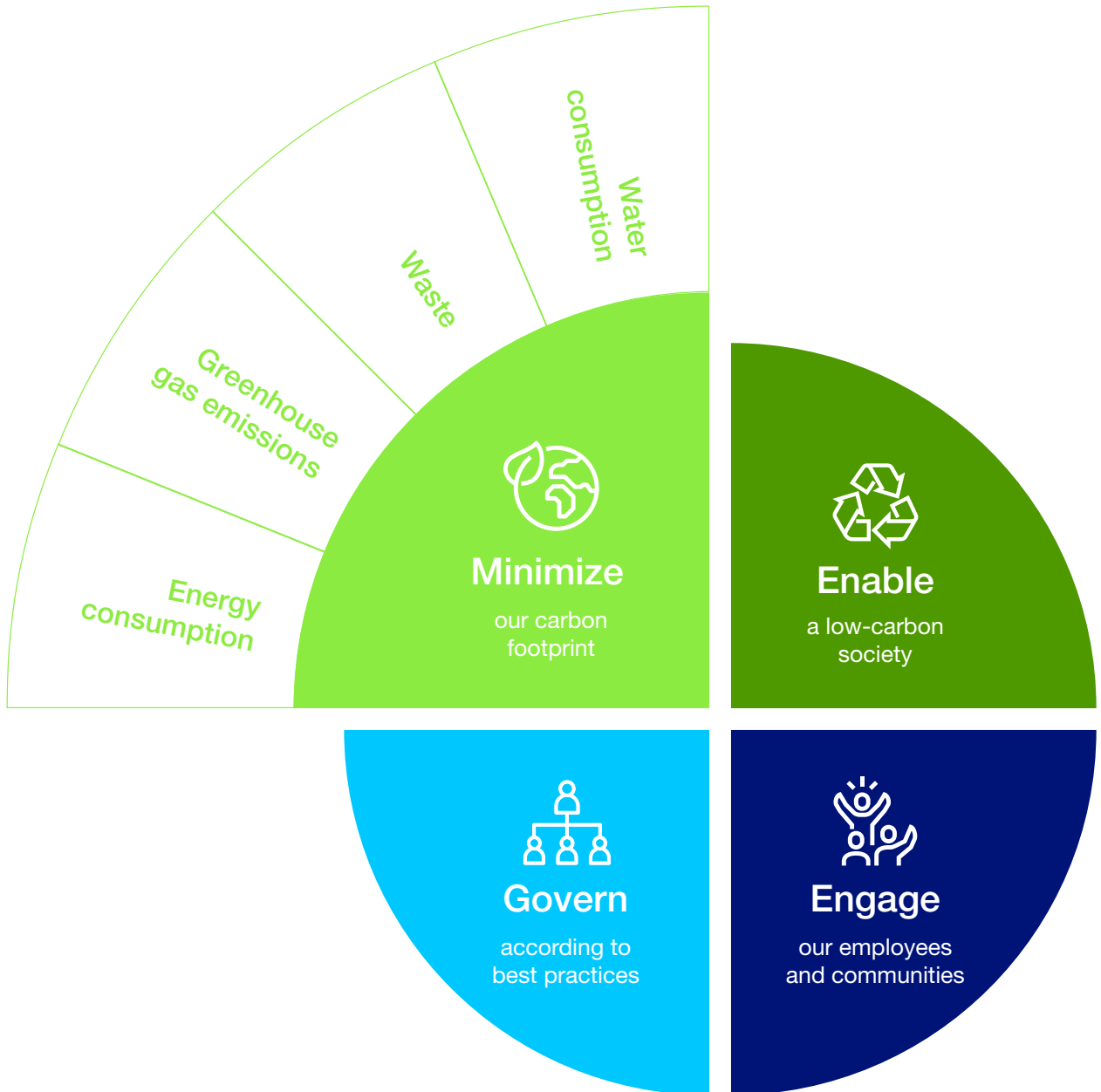
**Minimize
our carbon
footprint**

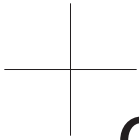
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We act





Our commitment

30%

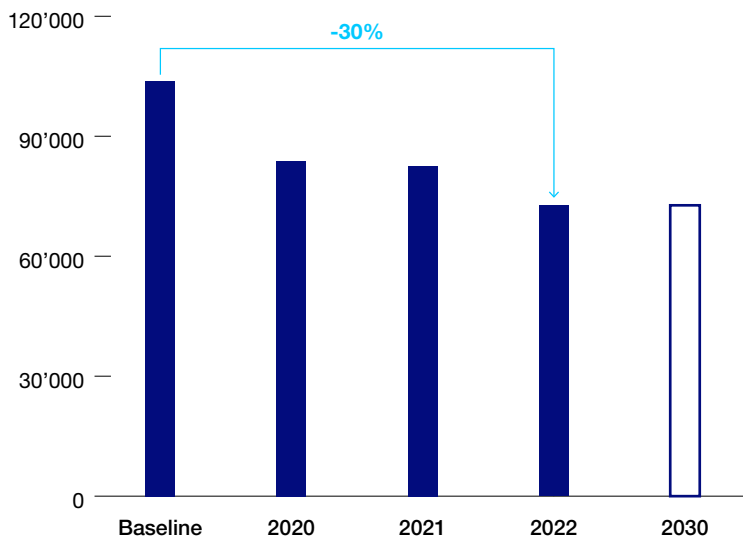
emission reduction by 2030

Carbon-neutral

by 2050

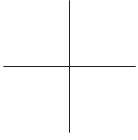
Our practices in action

Greenhouse gas emissions (tCO₂e)



Sulzer saved approximately 31'000 tonnes of CO₂e compared with the baseline. This major achievement shows that Sulzer has reached its 2030 emission reduction target of 30%.

This was possible by switching our power sourcing to low-carbon electricity. In 2021, we set a target to shift at least 70% of our electricity to low-carbon power. The successful collaboration between the ESH and procurement functions and the full support of our management led to numerous sites switching to low-carbon solutions.



In the short term, this has significantly reduced our carbon footprint even with the European energy crisis and price increases. As we had committed to doing the previous year, we also performed energy audits in our main facilities, identifying short-term actions delivering immediate and tangible energy savings. All our initiatives are governed by our CO₂ working group, which is made up of multi-disciplinary teams and meets monthly. It designs the programs and drives them to completion.

Sulzer Annual Report 2022, Governance, [Risk management](#) section for more details.

Management approach

Energy access and climate are global challenges, both with a double materiality impact. Energy generation impacts ecosystems via resource depletion, land use, and pollution. Sulzer’s energy consumption emits direct and indirect pollution into the atmosphere. At the same time, Sulzer benefits from natural resources (air, water, materials) that enable the company to produce its goods and services.

Sulzer acts to minimize its impacts across the whole value chain, starting with its own operations. Energy decarbonization is delivering immediate and tangible results. This is supporting the energy transition to a world aligned with the Paris Agreement goal and reinforces business resilience.

Climate risk assessment is included in our company’s overall risk management. We consider the impacts of climate change on Sulzer’s operations and its value chain. We are also discovering opportunities with the energy transition.

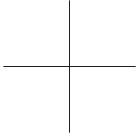


Under this framework, Sulzer has defined four priorities and fields of action:

- Minimize our energy consumption
- Minimize our corporate carbon footprint
- Minimize our waste generation
- Minimize our water consumption

We address these priorities by focusing on:

- Decarbonizing our energy supply
- Improving our process efficiency to reduce our net energy consumption
- Reducing our waste generation
- Protecting water by reducing our footprint in water-scarce areas



The Board of Directors is ultimately responsible for Sustainable Sulzer, with our CEO and Chief Sustainability Officer acting jointly to monitor the impacts of the Sustainable Sulzer programs. The divisions are accountable for their execution. Our CSO is responsible for coordinating the various programs to deliver on our commitments.

Sustainability involves everybody at Sulzer, through our newly created network of sustainability ambassadors and dedicated working groups empowered to design multi-year programs.

Our approach covers the main manufacturing and service sites. This represents about 100 sites worldwide out of a total of 180 operations.

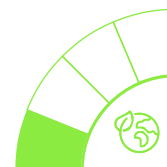
We report on a regular basis to management to track progress and reflect on our performance. We use Sulzer's environmental data collection and business intelligence tools. We believe that transparency supports benchmarking and better performance. Standard key performance indicators used for our business reviews are: CO₂e emissions, the number of sites that have switched to low-carbon electricity, energy consumption (in GJ), and the percentage of recycled waste.

We aim to have our data verified and structured accordingly.

See the [Enable chapter](#) for more details.



Energy consumption



Management approach

Energy is core to our activities and a highly valuable resource for our business and value chain. The power sector is the biggest greenhouse gas emitter (World Energy Outlook (WEO) 2022). Sulzer is committed to a net reduction in our energy consumption. We follow a double materiality approach by minimizing our own consumption within our operations and by enabling low energy consumption upstream and downstream. This makes Sulzer more resilient to energy availability and cost variations. The Executive Committee regularly monitors these impacts.

The standard key performance indicators for our business reviews are overall energy consumption in GJ (gigajoules) and costs in CHF (Swiss francs) to manage our footprint, plus the energy intensity to identify best performers and serve as a role model for other units.

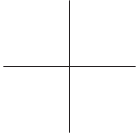
Results and lessons learned

In 2021 we committed to at least 70% of our sites shifting to low-carbon energy as a source of electricity. We include sources such as renewables and nuclear energy which have a very low carbon content. We made significant progress in 2022 toward this ambitious goal, growing our decarbonized electricity sources more than seven-fold, bringing Sulzer plants closer to the target. The shift was primarily accomplished by shifting to low-carbon solutions. This is the first step of an overall program that, at a later stage, will secure a long-term decarbonized electricity supply. We also learned that some countries have not yet embraced the energy transition, making it harder for our plants to access clean energy. Sulzer supports policies that promote the deployment of low-carbon energy.

50%

of our reporting sites use full low-carbon electricity

See the [Enable chapter](#) for more details.



Sulzer has also committed to monitoring our performance using the ESH reporting and management system. In 2022, we improved our data collection using the Group ESH reporting tool and the business intelligence software. Results are now used during monthly operational reviews at various levels of the organization and are fully accessible throughout the company. Our approach is well-defined in our Sulzer ESH playbook, the company ESH management system.

To support our progress, we have also committed to setting up live monitoring of our energy consumption in the European region. In 2022, we contracted an external partner for a live data feed of our energy consumption and costs. This covers more than 60% of our energy invoices.

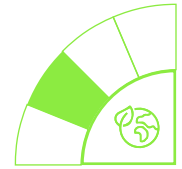
In 2022, we also performed energy audits consistent with the ISO 50001 standard. This helped us identify our main consumers and the solutions to minimize our energy consumption. Multiple recommendations resulted, some of which immediately benefited our sites through quick implementation. These quick wins were largely accomplished through organizational changes and equipment upgrades.

Operational excellence programs supported by strong policy and collaboration across disciplines are key to driving energy efficiency in our operations. The year 2022 showed a 8% energy consumption decrease versus 2021, validating our comprehensive approach to improving operational efficiency.

Outlook

We plan to increase the coverage of live energy monitoring beyond the current sites (offices, other small sites) in collaboration with Real Estate to gain a comprehensive view of our energy consumption. We will also coordinate energy efficiency improvements through our operational excellence programs.

Greenhouse gas emissions



Management approach

Sulzer acts to reduce GHG emissions in two ways: by minimizing direct impacts within its own operations and by enabling lower carbon impacts upstream and downstream. Climate change creates business risks, as evidenced across the world in 2022 with devastating wildfires, droughts, heavy rains, and historic storms. These risks are included in the Enterprise Risk management process and supported by a dedicated climate risk assessment. Risk assessment results are reviewed by the Board of Directors' Strategy and Sustainability Committee (SCC – for details, see our [Annual Report](#)).

The Sulzer Executive Committee reviews the Sulzer carbon footprint on a regular basis to ensure that the company is on track to meet its commitments. It analyzes data at least quarterly through our global ESH reporting tool. At the same time, we recognize that our climate and energy transition could offer promising business opportunities with the shift toward decarbonized power and new technologies.

Standard key performance indicators used for our business reviews are the overall carbon footprint and its breakdown by scope (scope 1, scope 2, and scope 3 for category 3 “upstream energy emissions” and category 6 “business travel” as defined in the Greenhouse Gas Protocol).

Sulzer joined the Science Based Targets initiative (SBTi) in early 2022 and committed to net-zero goals. We will submit a detailed decarbonization program for validation no later than 2024, consistent with the SBTi regulations. This will enable external recognition of our 2030 goal, expanding our ambitions throughout the supply chain.

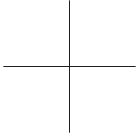
30%

emission reduction versus our baseline



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION





Results and lessons learned

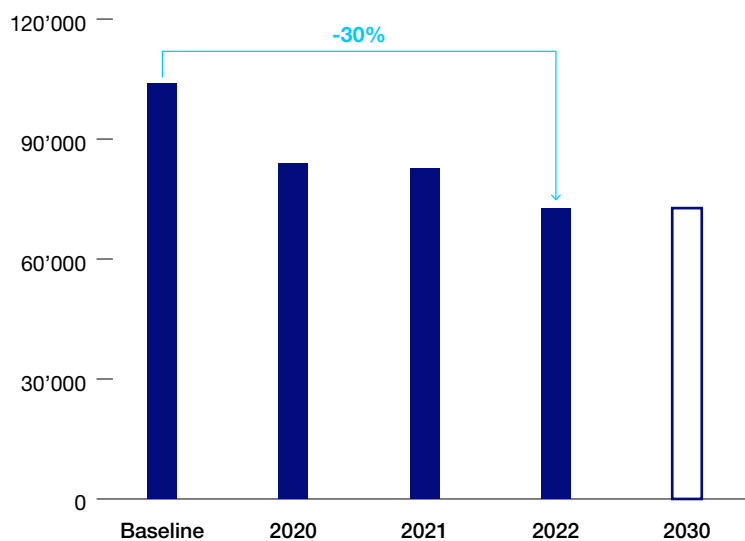
In line with our commitment, we performed energy audits in accordance with the ISO50001 standard at our top sites.

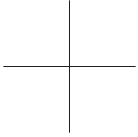
In 2022, we shifted a large part of our operations to decarbonized electricity with the goal of achieving a carbon content of less than 100g of CO₂e per kWh purchased. This was mainly achieved by shifting to low-carbon electricity solutions in the countries where we operate. This led to an additional decrease in the corporate carbon footprint.

Sulzer calculated its full scope 3 carbon footprint using the year 2021 as a reference. This full scope 3 assessment, the first of its kind, was completed with 2021 data. It was conducted on the basis of the Greenhouse Gas Protocol, benefiting from our internal expertise. It helped test our methodology and capabilities. We plan to replicate the assessment in future years to validate our approach prior to disclosing our total full scope footprint.

Sulzer's emissions continued to decrease in all disclosed scopes (scope 1: full; scope 2: full; scope 3: categories 3 and 6) despite a rebound in our economic activities. The reduction was mainly driven by our decarbonized electricity program and a significant shift to clean fuels with a major drop in our fossil fuel consumption. Sulzer saved about 31'000 of CO₂e compared with the baseline.

Greenhouse gas emissions (tCO₂e)



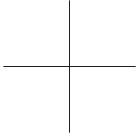


At Sulzer, we believe strongly that education supports action and engagement. We launched our Climate School in partnership with AXA Climate to upskill our employees on the issues of climate change. We dedicated a sustainability webinar to “minimize our carbon footprint – small actions, big impact” with record participation and engagement. This was encouraging evidence of our employees’ active interest in addressing world challenges. We also created our “sustainability ambassadors” network, made up of volunteers eager to know more about the ESG topics and act as Sulzer change agents. Our ambassadors focused first on learning more about climate change and the related trajectories. They then began to act in their sphere of influence to further bring Sulzer toward the Paris Agreement’s +1.5°C world goal.

On the path to better understanding its own carbon footprint, Sulzer was an industry leader when it issued environmental product declarations (EPDs) back in 2012. To stay current, we revived our Life Cycle Assessment (LCA) process for our own knowledge and in response to customers’ requests. This led Flow Equipment to process LCAs for its key products. These LCAs will be disclosed and made available in early 2023 to support decision-making, internally and for our customers. It is evidence that most of the carbon footprint of our equipment stems from the “use” phase (electricity consumption), and it highlights our support for decarbonization policies.

From our first full scope 3 emission assessments, we learned more about our methodologies and processes and Sulzer’s overall contribution to climate change. Initial findings show that the “use” phase of our products is by far the biggest emitter, mainly due to their long operating lives of up to 20+ years. This makes us even more passionate about improving the energy efficiency of our products (see the Enable chapter of this report) and even more committed to supporting our customers and policy-makers in decarbonizing the power mix.

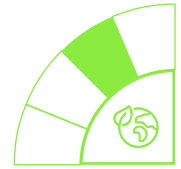
The Sulzer CCF (corporate carbon footprint) report is available on [sulzer.com](https://www.sulzer.com)



Outlook

We plan to get at least 70% of our sites shifting to low-carbon electricity of less than 100g of CO₂e per kWh no later than 2025. In 2023, we aim to conclude our Task Force on Climate-related Financial Disclosure (TCFD)-aligned climate risk assessment, assessing the company's transition toward +1.5°C global warming and its resilience in a "hot house world" scenario. We will prepare our SBTi (Science Based Target initiative) submission file, supported by a deep assessment of the carbon footprint of our value chain. We will also finalize our sustainable procurement policy and programs with a clear focus on decarbonization.

Waste



Management approach

Sulzer generates varying amounts of waste and recyclable materials in its operations, with an impact on several local waste management systems and the natural environment (air, water, soil). Reducing our own waste and maximizing recycling rates at Sulzer is the first step toward a circular economy.

At Sulzer, all waste is treated off-site in dedicated facilities. Most waste generated during the manufacturing process is made of metal, a fully recyclable material.

The standard key performance indicators used for our business reviews are: percentage of recycled waste, percentage of waste directed to landfill, and total amount of waste generated.

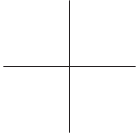
Our commitment

80%

of waste recycled by 2025

0%

landfill by 2025



Results and lessons learned

2022 commitment:

→ Create a taskforce for waste management:

We want to set new waste standards and good practices, and train the right people to better map waste streams and identify areas for improvement. A waste management task force was created in spring 2022, with volunteers piloting the Sulzer waste reduction program in their own plants for six months.

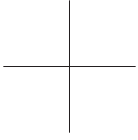
This three-part process consists of:

- Education to ensure people have the same level of knowledge
- Planning to design programs that will achieve zero landfill waste and more than 80% of waste recycled
- Sharing good practices and leveraging them across the company

This group also piloted our digital ESH dashboards. Team engagement helped design the interface to provide adequate information, supporting decision-makers at various levels of the organization for proper performance management. This also supports our management reviews, confirming our ISO14001 certifications.

Thanks to these pilots, Sulzer now has a sound waste management system reflected in the ESH playbook, tools to monitor and pilot its performance, and plans for proactive KPIs displaying how Sulzer will reach its targets. One success story: Our Chemtech TFS organization in the UK has contracted with a company to recycle all used safety helmets. They are transformed into plastic pellets that become the raw materials for another industry, enabling a circular economy.

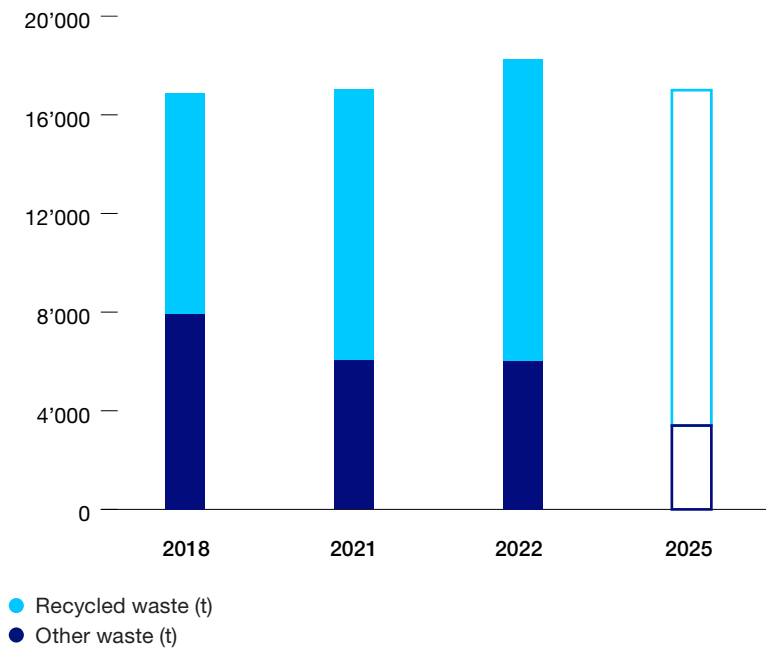
Our new target is to reach a minimum recycling rate of 80% of all waste by 2025, and to send no waste to landfill by 2025. Thanks to input from our waste management working group, we were able to set clear targets with a better understanding of our waste streams and areas for improvement.



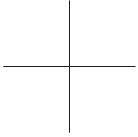
Together, we compiled a list of good practice, which identified current practices and new projects for materials not yet recycled to be brought back into the circular loop. We now have a clear path to achieving our 80% recycling rate.

Between 2018 and 2022, Sulzer reduced non-hazardous waste to landfill by 30% and increased its waste recycling rate by 34%. We are pleased to have achieved these early results, despite the increase in our activities.

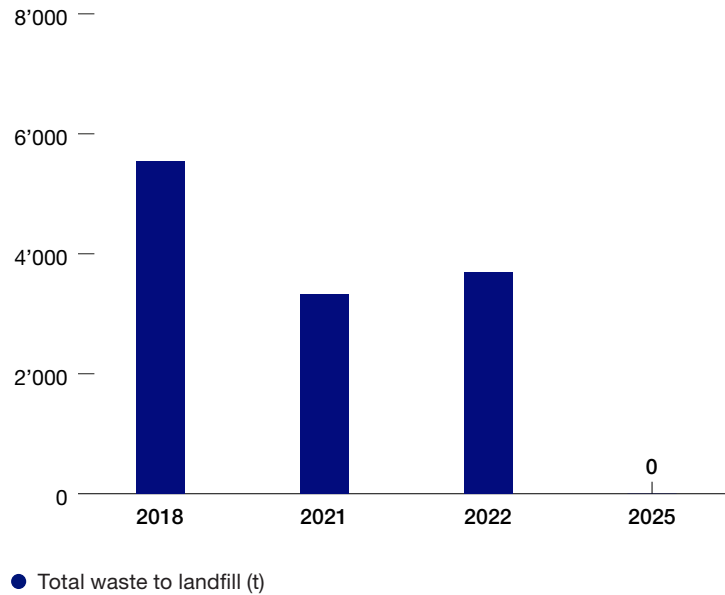
Waste and recycling



In 2018, we sent 5'549 kg of waste to landfill, amounting to 33% of our total waste. In 2022, this amount was down to 3'698 kg, reaching a 20% landfill rate.



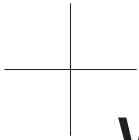
Waste to landfill



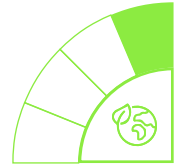
Waste reduction is key to our operational excellence process and requires cross-discipline collaboration to minimize waste generation (LEAN principles). The goals of zero waste to landfill and a 80% recycling rate require partnerships with external organizations to find smart ways of recycling.

Outlook

In 2023, we look forward to increasing our recycled waste to be on track for our 80% goal by 2025. We aim to further decrease the amount of waste sent to landfill to align ourselves with our 2025 target. Leveraging recycled metal waste in collaboration with procurement is another priority, as is initiating our eco-design process to optimize our raw material efficiency and lower our packaging impacts.



Water consumption



Management approach

Sulzer's operations can impact the environment through water withdrawal and discharge, including from legacy soil contamination of some sites. The impact is both on water quantity removed from reservoirs and the quality of the effluents discharged. Sulzer is dependent on water for its cooling processes and its pump test beds, while commerce relies on water courses to transport goods around the world. We recognize the impact of water management on communities.

Our customers in the water sector play a key positive role in bringing fresh water where it is needed and treating effluents. Others use water in their production processes (such as the chemical industry) or for cooling their processes.

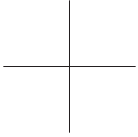
To address these challenges, Sulzer focuses on reducing water use through recycling, protecting water reserves by lowering the pollutant content of its discharges, and not acquiring new sites with existing groundwater contamination.

Sulzer monitors its water consumption, discharge, and losses with a specific focus on sites located in water-stressed areas. We map them using the World Resources Institute tools. This enables monitoring site dependencies on water with design-optimized water management to benefit other stakeholders.

Our commitment

100%

of sites in water-scarce areas to have water management plans by 2025



Results and lessons learned

2022 commitment:

→ Start designing local water management plans:

In 2022, Sulzer designed its water management standard based on internationally recognized standards and has already identified the five pilot sites for the first deployment wave. We mapped water stakeholders to identify their needs and importance. Sulzer local units will then design their stakeholders' relationship management programs and adapt their water-related objectives.

→ Initiate the climate risk assessment:

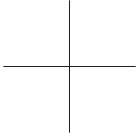
This assessment will also include water-related natural hazards for our operations. The climate risk assessment will consider water-related challenges through changes in scarcity over time and the direct physical risk (including but not limited to droughts, heavy rains and flooding).

In 2022, we saw a 6% decrease in water withdrawal compared with 2021, driven by less use of cooling water (-8% year-on-year). Other forms of usage increase by 10% mainly due to a significant leak on one of our main manufacturing sites and growth in our business volumes. A large share comes from the municipal network (stable at +90% over years) with our groundwater withdrawal being on a steady and regular downtrend (-40% compared with 2017).

We discharge more than 80% of our wastewater into municipal networks that should end up in treatment plants. An increased portion of water is injected into groundwater, reaching 12% of the total volume in 2022.

Due to improved monitoring and reporting capabilities, the volume of water consumed is increasing over time. While no water is used in our products, we assume this amount (water gap of approximately 15%) originates from leaks and other losses.

In 2022, this amounted to approximately 40% and is due to a significant leak on one of our manufacturing sites. Now that this has been repaired, Sulzer anticipates a 2023 water consumption in line with previous years.



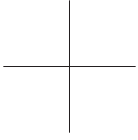
We recognize the need to deepen our knowledge of water flows to be able to set water volume targets with a net decrease in our impacts. Further consolidation and understanding of pollutant loads carried by the water that our sites discharge is necessary and will be addressed in the coming periods. Our approach will be piloted and lead to tailored programs. Our digital ESH journey will support this increased need for knowledge together with advanced skills.

Our Indian Sulzer Chemtech plant is in a region subject to water stress. As part of our water stewardship, factory management decided to invest in improving its water withdrawal. The surfaces covered by roofs now collect up to 510 m³ of monsoon rainwater and store it in tanks.

This water complements ground water withdrawal, minimizing our impact on the resource and our stakeholders. By processing this rainwater for domestic use, the site has minimized its water impact.

This approach is complemented by investments in the waste treatment plant, recycling water back into the domestic water system and into closed-loop water coolers.

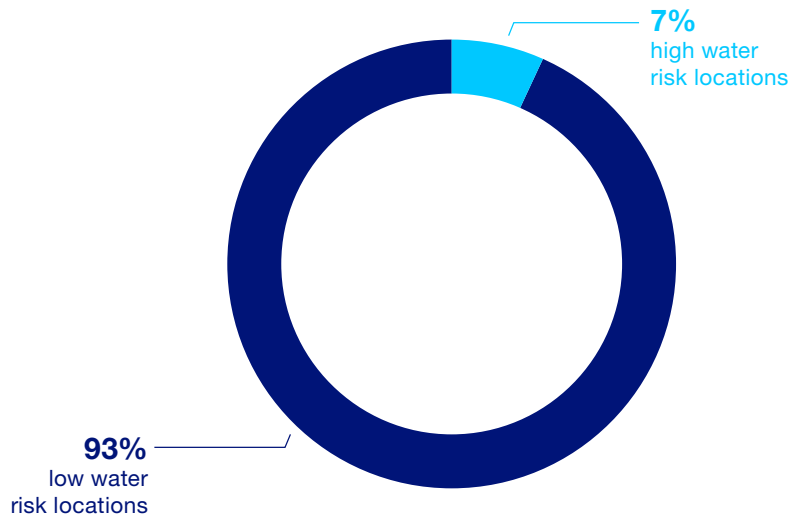




Outlook

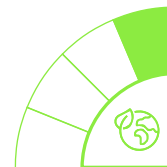
In 2023, we will formally launch the water management program and leverage the learnings for our locations in water-stressed areas. We will also further develop our management approach by strengthening our reporting system specific to our water-stress-exposed locations. We will also perform the climate risk assessment to cover the physical risks, including water shortages, heavy rains, flooding, and droughts to monitor and anticipate the impacts on our operations.

Water stress operations





Biodiversity



Management approach

Biodiversity is key to the world ecosystems that humanity relies upon to function well. Given the nature of our industrial activity, Sulzer may impact biodiversity through its value chain. This could range from destruction (land use change via alteration of habitats for upstream mining activities) to modification due to the pollution generated (noise, air, water and traffic). At the same time, Sulzer directly benefits from biodiversity – from the provision of clean and fresh water, clean air, protection against natural disasters or mitigation of climate change impacts. We recognize that nature-related benefits go beyond these enumerated items, which focus on our industrial activities.

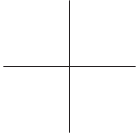
Sulzer's approach to biodiversity is risk-based: assessing the impact of its own operations on the ecosystems and of natural disasters. We start our risk management by assessing the impacts of our locations and design plans to minimize our footprint and restore the ecosystems. This will be done in close collaboration with affected stakeholders. As biodiversity impacts are very localized in terms of noise, water and land, our operational leaders are accountable for their management. As we gain greater control over the direct impact of our operations, our approach will expand to include more of the value chain.

Sulzer monitors the evolution of various biodiversity standards and metrics to further improve our knowledge of expectations and impacts. This includes the post-2020 Global Biodiversity Framework, the Task Force on Nature-related Financial Disclosures (TNFD), and the European Sustainability Reporting Standards (ESRS). Complemented by our approach to managing our environmental impacts (air, water, waste, land), we have a growing understanding of our own expectations and contributions to respecting the planetary boundaries.

We identify for ourselves Global Biodiversity Framework targets of no net loss by 2030, net gain after 2030, and full recovery by 2050 for ecosystems directly impacted by our operations.

Results and lessons learned

In 2022, Sulzer performed an assessment of all its locations to identify the ones in or near protected areas as defined by the UICN (2013). We considered a radius of 500 m as the distance within which Sulzer operations might have the highest localized impacts.



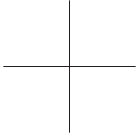
For protected areas that were found within a 500 m radius of a Sulzer site, the following data is provided: number and type of protected areas, description of the most relevant protected areas, and opportunities for positive biodiversity action at sites.

Three Sulzer sites were identified within four protected areas. The first site is within the protected area “Santuario del Agua Laguna de Zumpango” in Cuautitlán Izcalli (Mexico); however, this protected area has the IUCN management category “Not Reported”.

The second site is within the protected area “Apa Jundiá” in Jundiá (Brazil), which has the IUCN management category V.

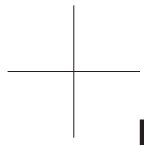
The third site can be found within the two protected areas “Estepas cerealistas de los ríos Jarama y Henares” and “Cuencas de los ríos Jarama y Henares” in Algete (Spain). The latter protected area is essentially an expansion of the first protected area. Even though the first protected area was declared a Special Protection Area for Birds (Zonas de Especial Protección para las Aves (ZEPA)) and the second a Site of Community Interest (Lugar de Interés Comunitario (LIC)), they both have the IUCN management category “Not Reported”.

As we embark on this new biodiversity journey, we have learned that we must leverage our understanding of the methodologies that are under development, such as TNFD. This will allow us to better understand the company’s impacts and its dependency on the ecosystems. That will become the basis of Sulzer’s programs.



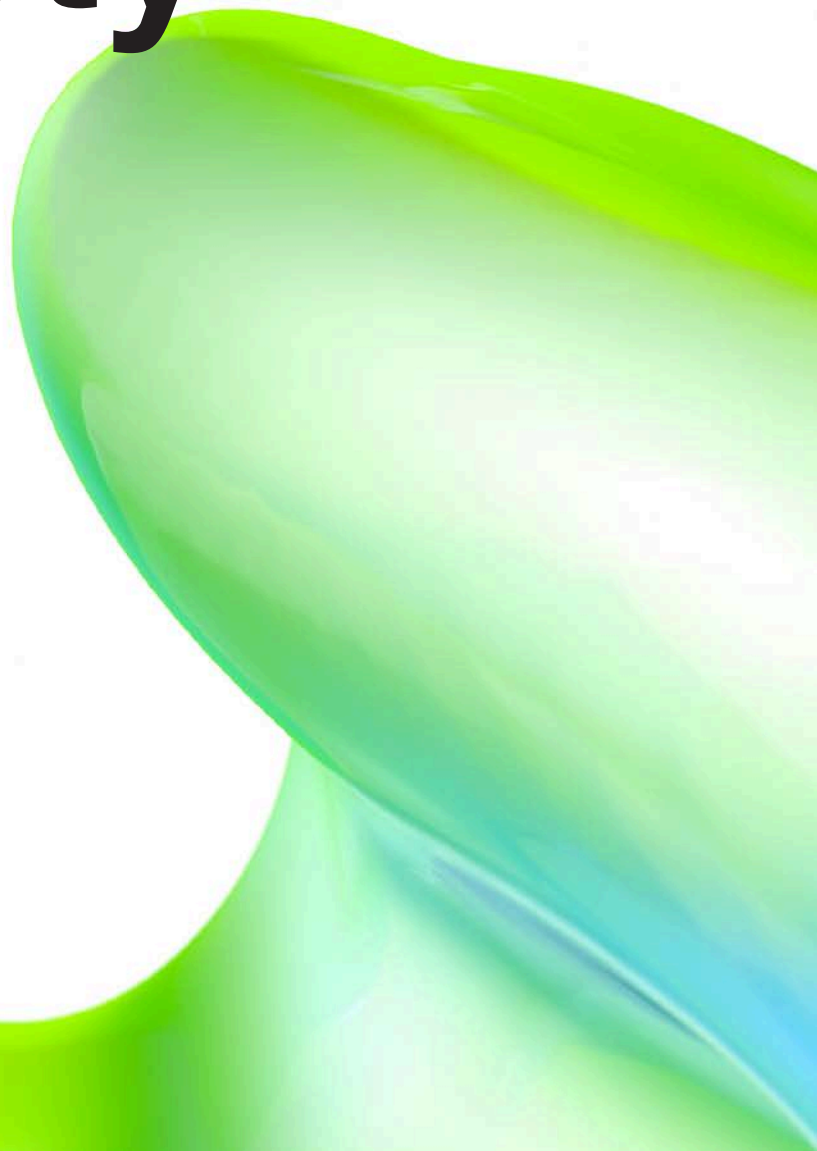
Outlook

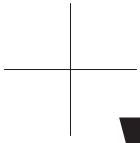
We look forward to improving knowledge of Sulzer sites in and near protected areas and revisiting our targets with the new ones set by the recent Conference of the Parties (COP15) held in Canada. We will develop action plans to positively impact the areas in collaboration with relevant stakeholders. We will also leverage Sulzer In Motion and volunteering days wherever necessary to make a positive impact. At a later stage, we will assess locations of our key suppliers.



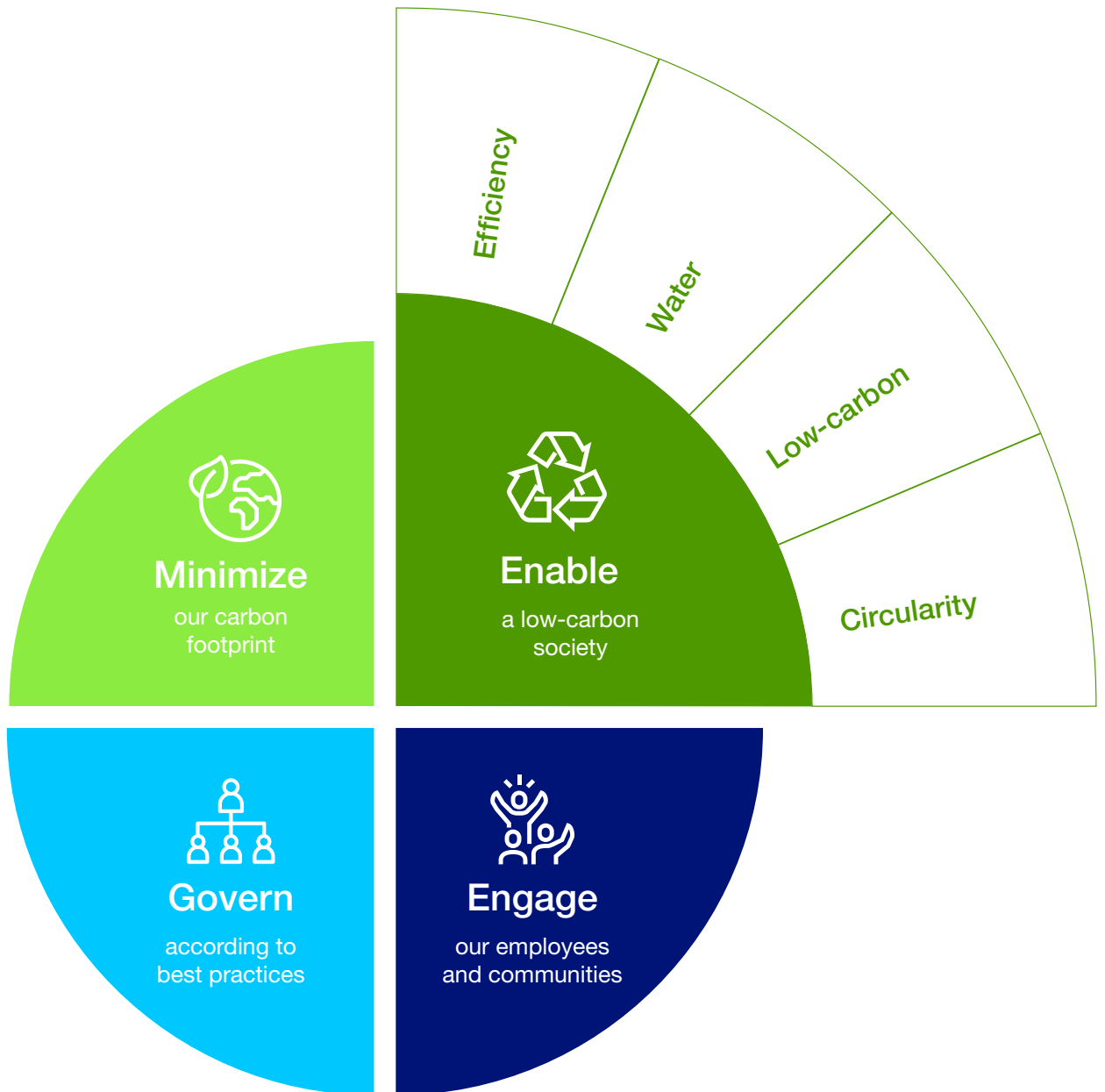
Enable a low-carbon society

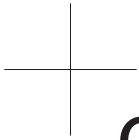
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We act





Our commitment

Shift towards

cleantech

Sulzer has a portfolio of products, technologies, and solutions that enable our customers to significantly reduce their CO₂ emissions. We can contribute by increasing the efficiency of existing production processes and providing products and technologies that use less energy and raw materials. We are at the cutting edge of technology solutions that are changing the entire value chain of our customer industries. We leverage bio-based raw materials and non-fossil energy and capture or use CO₂ and other greenhouse gases for further processing to create high-value materials.

Sulzer's strength is our broad collection of products and technologies to support industry's decarbonization in multiple ways. Significant contributions can be made to low-energy demand for equipment such as pump systems and revamped turbine configurations. We also contribute through new process technologies and licensing in the refinery and petrochemical business and in plastic recycling.

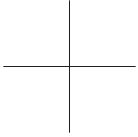
The World Energy Outlook (WEO 2022) illustrates the need for the global economy to drive transition from oil and gas to cleaner alternative fuels. Key to that transformation are renewable electricity and bio-based fuels, waste-to-energy conversion, and green hydrogen-related fuels such as methanol. This transition to cleaner fuels is especially beneficial for the heavy transport sector.

Our practices in action

Sulzer's contribution to alternative fuels

Our technology portfolio is enabling the energy transition to more environmentally friendly alternative fuels. For example, Sulzer Chemtech supply technology licenses for biofuels (BioFlux) and modularized solutions for methanol purification. We deliver key equipment for hydrotreated vegetable oil (HVO) processing and supply pump solutions to plants that convert waste to energy or biomass to energy.

Read more about BioFlux on [page 7](#) of this report.



Methanol

Sulzer has successfully developed new technology for biofuels to be used in transportation. Reintegrate, part of the Danish company European Energy, has ordered our modularized system for the purification of methanol in a 40kt/a capacity. The skids will be assembled at our workshop in Allschwil, Switzerland, and delivered in 2023. This technology enables the production of “green” hydrogen and biogenic CO₂ in a process that facilitates the recycling of CO₂ emissions. Reintegrate’s purified methanol will be used primarily for heavy shipping. There are added benefits too: Instead of getting lost in the atmosphere, the waste by-products created by one industry sector – heat and oxygen – become energy for a separate sector. This creates an integrated industrial ecosystem with sectors that previously had virtually nothing in common and results in a beneficial loop for both industry and the environment.

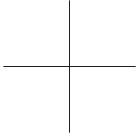
Hydrotreated vegetable oil (HVO)

Thanks to its long experience in two-phase flows and mixing, Sulzer provides the best solutions to customers for their hydrotreated vegetable oil (HVO) processes requiring effective mixing of gaseous hydrogen. Indeed, they benefit from guaranteed run times and revenues due to the high reliability of the process and the guaranteed lifetime of the catalysts. This all contributes to predictable activities and income flows for these continuous processes. Various plants in the US have successfully implemented Sulzer technology.

The best technology that we provide for our customers is also the best technology to use ourselves, like the renewable HVO diesel fuel produced with Sulzer technology. Our Nordic Water service vehicle fleet is today using this same HVO biofuel to minimize our own carbon footprint. We are cutting GHG (greenhouse gas) emissions by up to 90% through longer driving distances and higher load capacities. This is far more than if we had shifted to electric vehicles. Leveraging our own technology is leading us toward our goal of 90% renewable fuel by 2023.

Waste-to-fuel mobility

Using municipal waste to replace fossil fuels benefits the planet in multiple ways. It is a major driver of decarbonization. It also contributes to the circular economy, when waste is not lost but converted into a new beneficial resource for another industry sector.



Our Flow Equipment division has been an essential partner for a leading project to convert municipal waste and even household waste into renewable transportation fuels. This plant annually turns 175 kt of waste into more than 40 million liters of renewable synthetic crude oil. Projects like this convert waste into another beneficial industry use, replace fossil fuels with cleaner options for the mobility we rely upon, and prevent unnecessary waste at landfill sites. Thanks to the class-leading efficiency and high degree of customization Sulzer pumps offer, we have earned business for our boiler feed, condensate extraction, and other process pumps that are central to our partners' plant energy generation circuits.

Sulzer has demonstrated that it is a trusted technology partner for this industry, and further deployment of our technology will accelerate the use of these alternative fuels in all sectors.

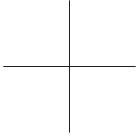
We are proud to be partners in contributing to a sustainable society.

Management approach

Decarbonizing industry is a central challenge in achieving a net-zero carbon goal, and technology is core to our transition – from low-carbon alternatives to carbon capture. The transportation, power and cement industries are among the largest carbon emitters, and Sulzer is in a position to identify and influence customer trends through our technology solutions. Sulzer supports the transportation industry's transition to low-emission fuels – including solid, liquid, and gaseous modern bioenergy, hydrogen, and hydrogen-based fuels. The cement industry will need to decarbonize using large-scale carbon capture utilization and storage (CCUS) solutions. The chemical industry transition will be driven by the need to develop alternatives to plastic in the face of single-use plastic bans and by a significant increase in plastic reuse and recycling. Sustainable fuels such as hydrogen and biofuels will also influence many of these transitions.

Sulzer is well positioned to lead us toward a net-zero world and propose solutions to reach the United Nations Sustainable Development Goals for water, climate, and energy. We proudly center ourselves in society's low-carbon transition. With a proven history of eco-design, Sulzer started its life cycle assessment back in the early 2010s, updating that process in 2022.

The chart below sets out Sulzer's four priorities for enabling a low-carbon society and the related activities across our entire portfolio.



Under this framework, Sulzer has four priorities:

- Increase the energy efficiency of our whole portfolio
- Strengthen our offering in water treatment and transformation
- Provide technologies for a low-carbon society
- Build a circular business model

We address these priorities by focusing on:

- Ecodesign: minimizing both energy and raw material consumption, enabling the best cost of ownership for our customers
- Product life extension: through retrofitting, upgrades, and repairability
- Artificial intelligence: to leverage performance thanks to data analytics
- Waste recycling and conversion: such as plastic and textiles

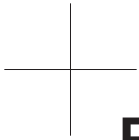
At Sulzer, the CEO manages the evolution of our portfolio toward clean technologies, while the divisional presidents drive the technology forward to meet our sustainability goals.

Our finance teams drive the mapping of the sustainable order intakes to align Sulzer with market requirements, making our offerings attractive for sustainable finance and investors.

Our technology and product management teams, which are well-connected with our sales forces, are accountable for the execution.

We work closely with our customers to identify their future needs, anticipate market trends and prepare the next product generation. The shift toward cleantech is central to the Executive Committee's agenda to ensure Sulzer products match customer demand and enable a low-carbon society. These risks and opportunities are identified via our enterprise risk management process, making Sulzer ready for the transition and integrated reporting.

Read more about enterprise risk management processes in the [Sulzer Annual Report 2022](#).



Efficiency



30'000t

of CO₂e emissions cut through retrofitting

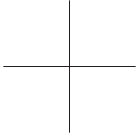
Our practices in action

Pump retrofits for efficiency improvements

Sulzer retrofitted 46 water injection pumps at a customer site, leading to a reduction of 36'000 tonnes in CO₂e emission. This was achieved by modifying the hydraulics of the pumps, reducing the energy consumption by 18%. This equates to a yearly saving of 95MWh.

Sulzer solves customer challenges through retrofitting existing equipment, resulting in many benefits. A pump retrofit, for example, is more efficient than completely replacing equipment. It reduces energy consumption and has a smaller impact on the environment. It improves the life expectancy of equipment, and it saves our customers money.





Results and lessons learned

Energy efficiency has always been part of Sulzer's DNA. It is our permanent quest to provide customers with the most efficient products and systems. We achieve this thanks to strong relationships with our customers, suppliers, and partners.

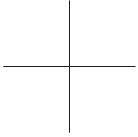
Our design teams are constantly innovating and delivering new technology solutions. They leverage efficiency gains with lower weight and fewer resources needed for products. They focus on extended lifetime and circularity by creating new ways to repair and upgrade products, with reliability and availability always front of mind in serving our customers.

Another example was a Sulzer retrofit at North Sea. Originally, two pumps worked together in parallel to perform one function. After a careful study of the functionality requirements, Sulzer performed a retrofit that enabled just one pump to operate at any given time and support the required flow. The result was a 3% improvement in efficiency, amounting to 2'000kWh per year. An additional benefit for the company is that it now has a backup pump immediately available without having to purchase a new one.

An investment that we are especially proud of is Bluebox. Bluebox is a Sulzer digital solution that monitors the performance of pumps and other equipment. Using data, it is possible to analyze whether the pump is well-adapted to the customer needs. For example, is it operating at its optimum potential, or is it over- or under-designed? If the data obtained show a pattern that is similar to Sulzer's historical data, this could signal the need for urgent service, a simple repair, a retrofit, or another change. Bluebox's condition monitoring system (CMS) essentially tells us how well the equipment is behaving.

It also assists with predictive maintenance before there is an equipment performance problem. Data such as vibrations and power consumption could indicate in advance when the pump should be scheduled for maintenance. For example, the pump may need to be serviced after another 400 hours of use. It anticipates the future behavior of the pump.

Bluebox is already a live digital solution that helps our customers achieve the best possible operation of their equipment and make informed decisions to protect their assets. It is one example of why Sulzer invests substantially in AI and digitalization.



Systemic analysis to create savings for customers

With a watchful eye on trends and leadership on technology, Sulzer helps our customers optimize their overall business costs.

Customers who use gas turbines in industrial processes are seeing changes in the gas they consume from the pipeline network. Over the coming years, there will be an increase in mixed fuel gas from these pipelines, with more hydrogen.

This change in composition requires customers to modify their turbine combustion performance. Sulzer Services is developing combustion systems for gas turbines that can burn higher concentrations of hydrogen. Such modifications might normally require a new machine at a substantial investment, which is particularly difficult in uncertain economic times. Retrofitting allows existing equipment to continue to be used. The existing infrastructure can also be substantially reused – saving the customer from having to replace current systems or buildings at many times the cost of the turbine.

Sulzer's serviced turbines are proven reliable equipment. With retrofits, the equipment's life span is extended, the customer benefits financially, and the environment is better protected from CO₂ emissions, potentially driven down to zero.

With parts of the globe experiencing energy crisis challenges, our customers are seeking more opportunities to strengthen their competitiveness. They are also proactively investing in new technologies to further reduce their scope 1 and 2 carbon emissions. Sulzer is pleased to support our customer industries with our technologies and accelerate the pace of net-zero implementation.

Outlook

Sulzer is now responding to the world's transition toward cleaner fuels, and we are well-positioned to proactively answer our customers' needs in the face of future trends. Increasingly, various fuel mixes will require flexible equipment. We will continue to optimize processes through deep collaboration with customers and original equipment manufacturers (OEMs), jointly leveraging in-house expertise. New solutions will be consistent with the requirements of various regulatory bodies and technical screening criteria (TSC) clearly stated in the European Union. Sulzer is prepared to bring its industry-leading practices to customers and demonstrate its alignment with the EU taxonomy. We will continue to reach new frontiers in energy efficiency.

Water



Our practices in action

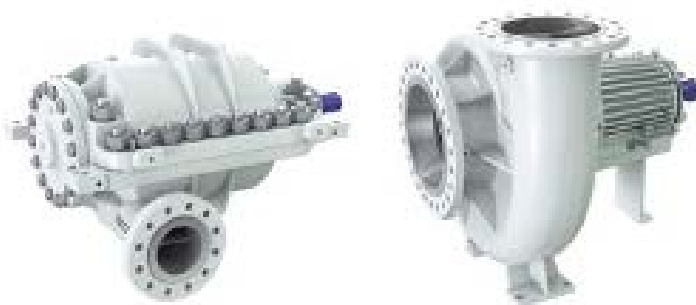
Supplying clean water from desalination is key to our global future. Almost half the world's population lives in regions with significant water shortages. As demand increases, desalination using reverse osmosis (RO) technology will play an ever-important role in the delivery of fresh water for agriculture, domestic, and industrial use.

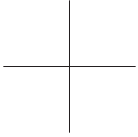
The design of RO plants has advanced significantly in recent years, as owners seek to increase output, improve availability, and reduce operating costs.

Our Flow Equipment division has added new reverse osmosis pumps to its water business portfolio, delivering higher efficiency and lower costs for desalination projects.

Pumps are critical equipment for the desalination industry. They make up a significant part of the capital investment of facilities, while the energy they consume accounts for 60% to 70% of the final cost of water produced. With today's rising energy costs, this puts pump efficiency into even sharper focus. Sulzer has continued to meet market requirements by designing pumps that consume less energy, reduce costs, and improve sustainability for operators.

The MSN-RO offers several major enhancements, designed to improve operating efficiency while reducing emissions and capital costs. Our approach significantly simplifies the operation and maintenance of the pump, removing the requirement for forced oil lubrication and cooling systems. This also eliminates the potential risk of lubricants contaminating process water.





The AHLSTAR range of charge pumps has also been extended with increased capacities suitable for modern, large-scale desalination projects. Already known for its high efficiency and ability to maintain performance across a wide operating range, the AHLSTAR design now has higher flow rates and slightly higher heads to satisfy high efficiency needs along the entire pressure range. These additional sizes are aimed at large, modern plants offering cost-effective solutions while reducing energy consumption.

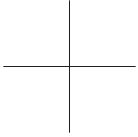
Results and lessons learned

Water is key to our future and Sulzer is well positioned to be a leader in this field. Our goal is to ensure safe and affordable access to clean water and sanitation for all as our contribution to the UN Sustainable Development Goal of “Water”.

Water is a key business segment of our Flow Equipment division, accounting for about CHF 502 million of business volume. Our broad range of pumps and related equipment is attractive to municipalities and industries.

Sulzer’s products are designed to address the entire water cycle, responding to worldwide needs. Our portfolio of equipment covers three main application areas.

- **For wastewater transport:** We produce pumps, grinders, lifting stations, accessories, and control and monitoring equipment. These address the needs of customers in municipal, commercial, and domestic wastewater collection, and customers with construction dewatering needs.
- **For water and wastewater treatment:** We produce pumps, mixers, grinders, blowers, screens, and sedimentation and filtration products. Municipalities rely on us for rotating equipment and solids removal for their clean and wastewater treatment – as do industrial wastewater customers for their biological treatment needs.
- **For general water needs:** We produce pumps for water intake, water transport and distribution, and irrigation. We also make pumps for desalination.

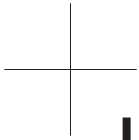


In addition, Sulzer provides a portfolio of seven premium offerings under the Nordic Water brand. These support screening, sedimentation, and filtration applications for municipal and industrial water, as well as wastewater treatment. In addition to individual components, we provide our customers with customized, fully integrated end-to-end solutions.

All these products are key to ensuring that people have access to the world's most valuable resource. As we grow our business, we remain committed to developing sustainable and responsible water and wastewater treatment solutions and products for clean water supply. We deliver best-in-class solutions that not only improve water quality and offer the possibility to reuse waste products, but also reduce the carbon footprint through lower energy demand.

Outlook

Beyond our strong performance in Flow Equipment, we will continue to develop solutions in Chemtech's portfolio to process water for purification or to extract valuable materials from industrial process water. This includes metal extraction processes in the production of batteries and recovery of rare earth metals in the mining industry. Both are critical to feeding the energy transition while pursuing our efforts to protect water as a resource.



Low-carbon



Our practices in action

Sulzer enables the climate and energy transition. Reflecting on the challenges described in the Net Zero Emissions scenario of the World Energy Outlook (WEO), we are proud to own a technology portfolio that directly addresses these challenges. Sulzer’s Flow Equipment, Services, and Chemtech divisions each have their own business models and product portfolios. They focus on different market segments and technology solutions to best address these challenges.

Flow Equipment’s partnership with a major Oil & Gas company

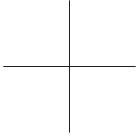
Flow Equipment is partnering with a company that is building Canada’s largest renewable diesel facility at its refinery in Alberta. By pairing our technology with their agriculture, we are helping this customer transition to lower-emission fuels. This is also moving Canada closer to its ambition to reduce carbon to net zero. This Canadian company is committed to providing energy solutions in a way that helps protect people, the environment, and the communities where they operate – the same goals that we are pursuing at Sulzer.

Flow Equipment with major Oil & Gas company.

This world-class facility is expected to produce 1 billion liters of high-quality, renewable diesel each year from locally sourced feedstocks. This Canadian “climate-ready” diesel will fuel vehicles, trains, and industry.

Renewable diesel production will source low-carbon hydrogen (hydrogen produced from natural gas with carbon capture and storage) to substantially reduce greenhouse gas emissions. The low-carbon hydrogen and bio-feedstock will be combined with a proprietary catalyst to produce premium low-carbon diesel fuel.

This forward-looking project is estimated to save about 3 million tonnes of transportation emissions per year, while about 500’000 tonnes of CO₂ will be captured annually. That level of captured CO₂ is equivalent to planting 3.7 million acres of forests in one year – about half the size of Vancouver Island.



Results and lessons learned

Sulzer's technology portfolio to drive sustainability in a broad range of applications is successful because we build on our experience with existing products and our people's expertise. Sulzer has demonstrated its leadership across industries with reliable and high-performing solutions to serve the requirements for a low-carbon society. Our offerings can be quickly adopted when there is intensive collaboration with our clients – one of the reasons to leverage our existing relationships and to be open to industrial collaborations.

Learning from various projects and partners will facilitate and accelerate the implementation of technologies toward the net-zero emissions target.

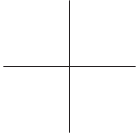
Decarbonized power industry

Flow Equipment supports energy transition through diversification of energy production in several ways. This includes new capacity for waste-to-energy facilities and energy storage systems required to balance the supply and demand from renewable energy sources. Energy storage is another step forward in integrating intermittent power sources.

Lighthouse projects in the R&D portfolio internally serve as our beacon or "North Star" for future development and make important contributions to market development. This is especially relevant when pursuing new technologies such as energy storage via molten salts.

“In a full-scale project, it is possible to store 1 GWh of energy by storing enough salt in a tank 15m high and 20m in diameter. Hence, a tank with a 100 MWh working turbine will be able to deliver annual CO₂ reductions of up to 110'000t, simply by replacing fossil cogeneration systems.”

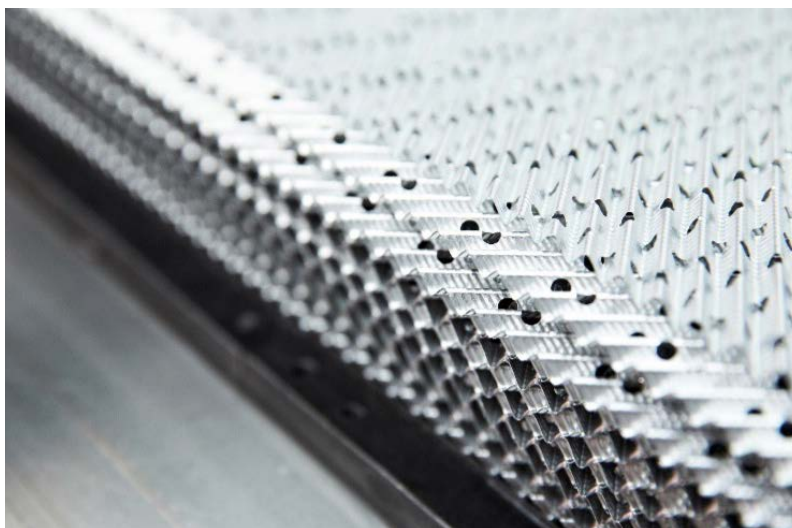
Ask E. Løvschall-Jensen
Chief Executive Officer, HYME Energy



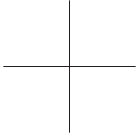
The Danish company HYME Energy plans to start construction in 2023 on its demonstration project in Esbjerg, Denmark, which will use hydroxide salts in its storage technology. Sulzer's Flow Equipment division supports this project by supplying high-temperature VNY molten hydroxide salt pumps. These pumps act as heat transfer fluid pumps and operate at temperatures around 700°C. Flow Equipment will use proven design features to provide a solution that balances high-efficiency, low-submergence requirements and suction performance in this extremely demanding, corrosive, high-temperature environment.

Carbon capture and utilization

Removing carbon at the point of emission is critical to halting emissions, as is removing CO₂ from the atmosphere. Storing CO₂ is another viable option, as stated in our 2021 ESG report, while using CO₂ is becoming a great solution for its sequestration. Carbon capture is recognized as a key technology to process emissions and either recirculate the molecules for further use in chemical applications or store them. Flow Equipment's standardized product portfolio – from pumps to systems – is available to pump liquid CO₂ or to transport and inject supercritical CO₂. This technology helps achieve carbon emission reduction commitments and the decarbonization of process industries. The order intake potential by 2025 is estimated at CHF 15 million p.a.



MCC-4A packing



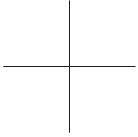
Carbon capture technologies are one of the core applications within the Chemtech portfolio. For decades, we have proactively developed relationships with major licensors in this field and gained fundamental proficiency in the performance of various solvents. Chemtech has a unique offering of testing facilities for solvent processes that can vary pressure, temperature, and concentrations. Building on these capabilities, we have designed optimized mass transfer components such as Mellapack MCC-4A and related internals. The new product will be installed in a capture unit for a large refinery to process 750 kt/a CO₂.

Beyond capture, the usage of CO₂ is becoming an even more interesting field. Chemtech is deepening its collaboration with Blue Planet to develop a process to build minerals for the construction industry capturing the CO₂ from large-scale emission sources. Whereas this application enables large volumes of CO₂ to be processed, others are targeting CO₂ as a valuable raw material for specialty chemical applications. Chemtech implemented its first reference projects for the manufacture of ethylene carbonates as part of the electrolyte for Li-Ion batteries in a collaboration with one of the leading Asian licensors. Further activities are being initiated in cooperation with universities across the globe to work on using CO₂ in selected niches of the chemical industry.

Biofuels and hydrogen

Capturing carbon from mobile sources such as transportation, one of the world's largest emitters, is challenging. Alternative approaches include a shift to lower-emitting fuels – either from renewable sources or from promising hydrogen-related technologies.

Hydrogen is likely the most relevant and prominent example of a non-CO₂-emitting fuel. Numerous technological developments in industry are directed at efficient production of hydrogen via electrolysis, gasification of renewable resources, or reformation of hydrogen combined with CO₂ capture. At Sulzer Services, we provide technology to repair and overhaul equipment used in plants that handle and use hydrogen as a non-CO₂-emitting fuel in their current process and supply chain operations. By retaining the installed equipment capacities – such as gas turbines that still meet emission regulations and are compatible with the composition of available fuel gases – the equipment's lifespan can be prolonged. This can reduce capital expenditure and operating costs. More importantly, it benefits our customers, and the planet, with reduced CO₂ emissions.



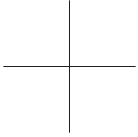
Adapting agitators or pumps for use in biofuels and wood-based value chains has opened up some new market segments for Flow Equipment. The wood-based bioproducts are used in industries involved with textiles, cellulose plastics and films, bioplastics, thermoplastics, sustainable composites, different types of cardboard packaging, and transport fuels. Flow Equipment also provides highly efficient pumps for the refining of biofuels.

Plastic and material recycling

Sulzer is a key shareholder in Worn Again Technologies, a company dedicated to textile recycling. In 2022 we announced that the first pilot plant will be built in Winterthur, Switzerland, and that Sulzer has increased its share in Worn Again Technologies.

Building on our experience in the process development and licensing of polylactic acid (PLA) polymers and co-polymers, Chemtech is creating a portfolio of process technologies for biobased polymers. In 2022, significant progress was made on establishing pilot plants to test different raw materials, such as lactic acid, and developing formulas to modify properties of PLA polymers. Sulzer's unique ring-opening technology to produce biopolymers such as PLA is suited to producing other biopolymers and co-polymers. It has been our goal to have a pilot plant platform available to test different synthesis routes and formulas on different scales to accelerate process development – and this was implemented in Switzerland in 2022.

Polymer recycling is currently driving the entire plastics industry to comply with emerging regulations for quotas and product bans in specific applications of polymers. Chemtech began work on polymer recycling activities years ago and has gained significant knowledge of various technologies and processes. Principally, Chemtech is active in depolymerization technologies for pure polymers such as polystyrene, polymethyl methacrylate (PMMA), and polyethylene terephthalate (PET) as well as in mixed plastics recycling, which is typically performed by pyrolysis processes. Purification of either the monomers (such as styrene) or the processing of pyrolysis oils stems from Chemtech's core competencies in distillation, extraction, and crystallization.



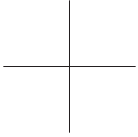
Some initial reference projects have been implemented successfully, and process development has been initiated with industry partners and customers. One interesting demonstration for polymer recycling is currently being built by Indaver in Antwerp, Belgium, processing 26 kt/a of either mixed plastic waste or polystyrene. The flexible process aims either to regain the styrene monomer in high purity for further use in chemical and polymer processing or to produce pyrolysis oils of different cuts which can be further processed in existing petrochemical or refining units. Chemtech's scope of delivery is the quenching and distillation units that will be delivered in several modularized skids.

Consequently, all these activities have generated revenues totaling CHF 200 million for Flow Equipment and Services. Chemtech has grown its order intake to CHF 125 million.

Outlook

Commitment to develop to sustainable solutions

Partnerships are key to leveraging existing technologies and to achieving breakthroughs in low-carbon solutions. Significant investments are needed to fuel R&D and to propel Sulzer toward being an even more pivotal player in the global shift toward cleantech.



Product development and technology management

Further development of our product and technology portfolio is key to shaping the nascent markets for decarbonization and sustainable value chains. Sulzer is investing CHF 66.4 million in R&D activities in three divisions, each with a significant share of allocation to product and process development for sustainable technologies. We also note that product development goals go beyond just breakthrough research. Proven technologies and products that can be applied easily to new applications ensure reliability for our customers and help bring sustainable solutions to the market faster. Mitigating risk for industry is an important lever in accelerating the market entry of sustainable solutions.

R&D and cooperation

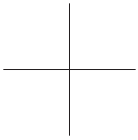
In Chemtech's R&D project portfolio, the allocation of funds clearly focuses on decarbonization and sustainable solutions. Our research clusters include biobased polymers, plastics recycling, and carbon capture, which in total account for approximately CHF 11 million of R&D spending.

Beyond our own activities, Sulzer believes in the benefits of collaborations in development. Dedicated industry cooperation to bundle competencies and accelerate market entry is also important. Therefore, it is essential that we drive research cooperation with European universities and industry partners, like our relationship with IMPRESS for cellulose processing technologies.

“Global plastic pollution and sustainable mobility are challenges that we can solve by joining forces with partners.”

**Detlef Ruff, Senior Vice President,
Process Catalysts at BASF.**

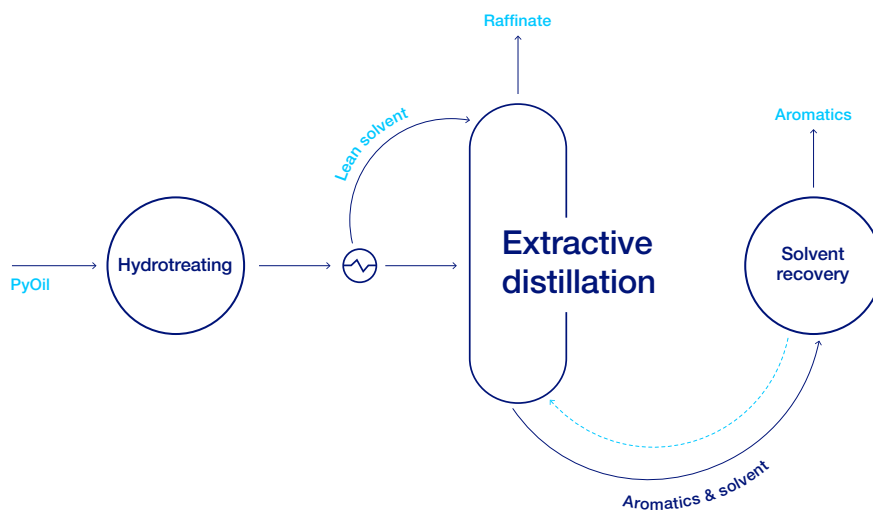
Under the cooperation with BASF, our joint development target is to improve the existing MaxFlux and BioFlux technologies for plastic recycling and biofuels with leading catalyst and adsorbent technology in terms of yields and energy consumption, thereby lowering the carbon footprint of the technology and improving CAPEX and OPEX requirements.



“We are excited to work with Sulzer Chemtech and are actively developing new adsorbent and catalyst materials to be applied in Sulzer Licensed Technologies. We are excited to combine our strengths to address plastic pollution and drive the adoption of more sustainable fuels.”

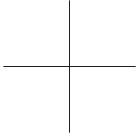
Detlef Ruff, Senior Vice President,
Process Catalysts at BASF.

Similar efforts are planned for pyrolysis of polystyrene, which Sulzer perform with its technology partner VTT, combining the strength of Finland’s strongest research organization with Sulzer’s existing SuRe™ styrene technology. Testing different polystyrene wastes including contaminations of polyethylene and polypropylene has been shown to achieve a 64% yield for styrene monomer. The quality of the monomer is suited to the production of polystyrene in all qualities, including for food packaging applications.



Investments

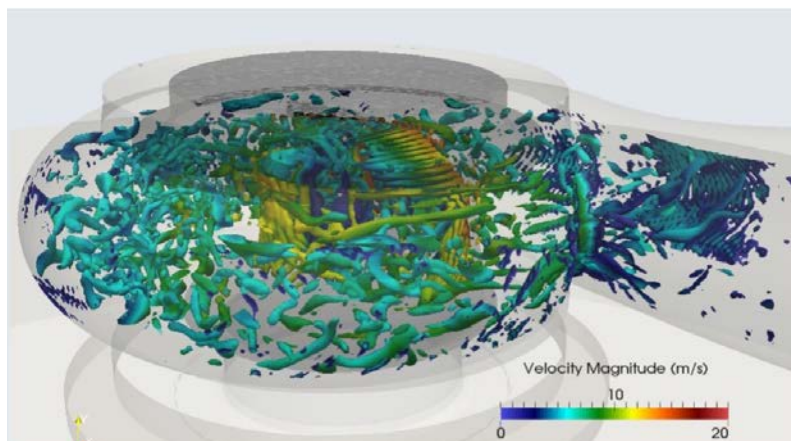
Beyond R&D expenditure, Sulzer invested in new technology platforms in 2022 to expand the offerings in plastic and textile recycling, cellulose processing, CO₂ utilization and our own research facilities for biopolymer synthesis.



Continuing down the path of biobased synthesis, Sulzer has found an investment opportunity in Cellicon for cellulose processing for nanocellulose, an attractive additive for a variety of applications – from personal care products to paints and coatings. These biobased alternatives are better options than the fossil-based products we aim to replace.

For the usage of CO₂, a new strategic agreement builds on Chemtech's and Blue Planet's technical collaboration, launched in 2021, and includes Sulzer's investment in Blue Planet's latest funding round. Blue Planet's technology permanently locks up to 440 kg of CO₂ for every metric ton of aggregate produced. As a result, it is possible to completely offset the CO₂ footprint of cement and produce carbon-negative concrete.

Circularity



Our practices in action

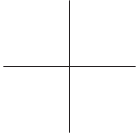
Eco-design

Developing new products through eco-design is key to our strategies. Wherever we can find a greater reduction in the CO₂e footprint we will find the largest financial benefits and be more competitive. At Flow Equipment, eco-design integrates key environmental, safety, and health criteria – from targets to reduce the CO₂e footprint of our products to their safe use during operation, maintenance, and dismantlement.

Our products follow international standards and the specific standards of the country in which they are operated. This also protects the safety and health of our customers and those who service our products.

Protecting users and the environment from being exposed to harmful chemicals, we abide by a full list of prohibited substances. This list is reviewed and updated every year. The immediate benefits are healthier workers along the value chain and smooth processes as a product reaches the end of life.

Our eco-design process reduces weight with less material, enables regional manufacturing to reduce transportation costs, and cuts water and energy consumption.



Results and lessons learned

Product compliance

As part of ongoing engineering work on Sulzer's product development, material usage is optimized for various applications. It is key not to risk functionality in performance, product safety, or compliance with any regulation. Our products are designed not to contain prohibited substances and to be serviced and dismantled in a safe way.

Therefore, we are proud that there have been zero incidents with respect to product compliance, health and safety impacts of our products and services, product information, and labeling and marketing communication.

Repair and reuse

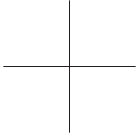
Another important development is to improve repair and spare part manufacturing. Sulzer Services is investing in a range of additive manufacturing technologies to place materials only where needed. Machining waste is substantially reduced. By repairing more parts, we can reduce the amount of new material that has to be purchased, with every repair and overhaul having a far lower environmental impact than completely replacing the equipment.

Circularity and material efficiency

Pump manufacturers require a large amount of raw materials to create their products, and they have a responsibility to help the circular economy by recovering, reusing, and recycling pumps as much as possible. We also have been operating a program that helps operators improve their sustainability and reduce investment costs by matching unneeded or idle pumps, agitators, and high-speed compressors with new applications.

About 95% of Sulzer's pumps are serviceable by design, and 95% of the materials used in our pumps are recyclable. At Chemtech, the rate is even higher, as our products are made completely of metals that are fully recyclable.

95% of Sulzer pumps are serviceable by design.



Buyback program

Over the past 12 years, Sulzer has set aside a budget to buy back pre-owned process pumps from businesses that no longer need them or have ceased operations. Our sales, procurement, operations, and finance departments seamlessly join forces to locate second-hand pumps, purchase them, and find them new homes.

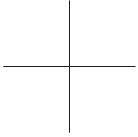
Sulzer makes an offer for these pumps based on their condition and gives them a new lease of life. The pumps are refurbished and sold in “as-new” condition to other customers with a standard one-year guarantee.

The buyback program creates multiple winners. The previous owners realize some value from an asset that was unused. Sulzer acquires a pump that it can easily repurpose and refurbish, thanks to our extensive in-house pump expertise. Plus the new customer quickly gets a high-quality pump at short notice, saving them time and money.

Since the buyback program began, Sulzer has recovered pumps from plants that are closing or no longer need the equipment, offering owners a way to recycle some of their assets rather than scrapping them.

The numbers are significant. We have bought back about 1'000 pumps, agitators, and HST high-speed compressors. We have also supplied new customers with 700 pieces of equipment that have already served a purpose with a lot more life to give. By the end of 2022, this number was approaching 800.

The experience for the new customer is seamless. They contact their local sales representative with their requirements. Sulzer's worldwide network of sales personnel is well briefed on this buyback program, offering customers both brand-new and refurbished products. Some customers choose refurbished because of the attractive price and/or because they need the equipment quickly. There have been cases where a pump was available for shipment within one day.



This is yet another example of Sulzer being at the forefront of the sustainability movement. We have bought back an average of 15 tonnes of equipment a year – saving it from being wasted. We will continue to raise the bar in years to come with our buyback program and will encourage other manufacturers to follow our lead.

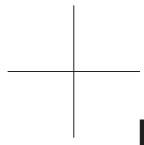
Outlook

In 2023, we will continue to design compliant products and anticipate more phasing out of hazardous materials to enable full recyclability.

Our eco-design process is continuously reviewed to improve and leverage best practices, specifically in the field of recycled material use and product carbon footprint improvement through life cycle assessments.

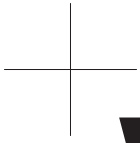
Our Services division will continue to expand beyond servicing Sulzer’s own products. We will capitalize on growth opportunities to service outside brands, improving the efficiency and extending the lifetime of their products, in another win for the environment.

We are excited about continuing our successful equipment buyback program which benefits so many. We will also continue to make significant investments in pilot projects to quickly bring about solutions to meet our targets for a low-carbon society.

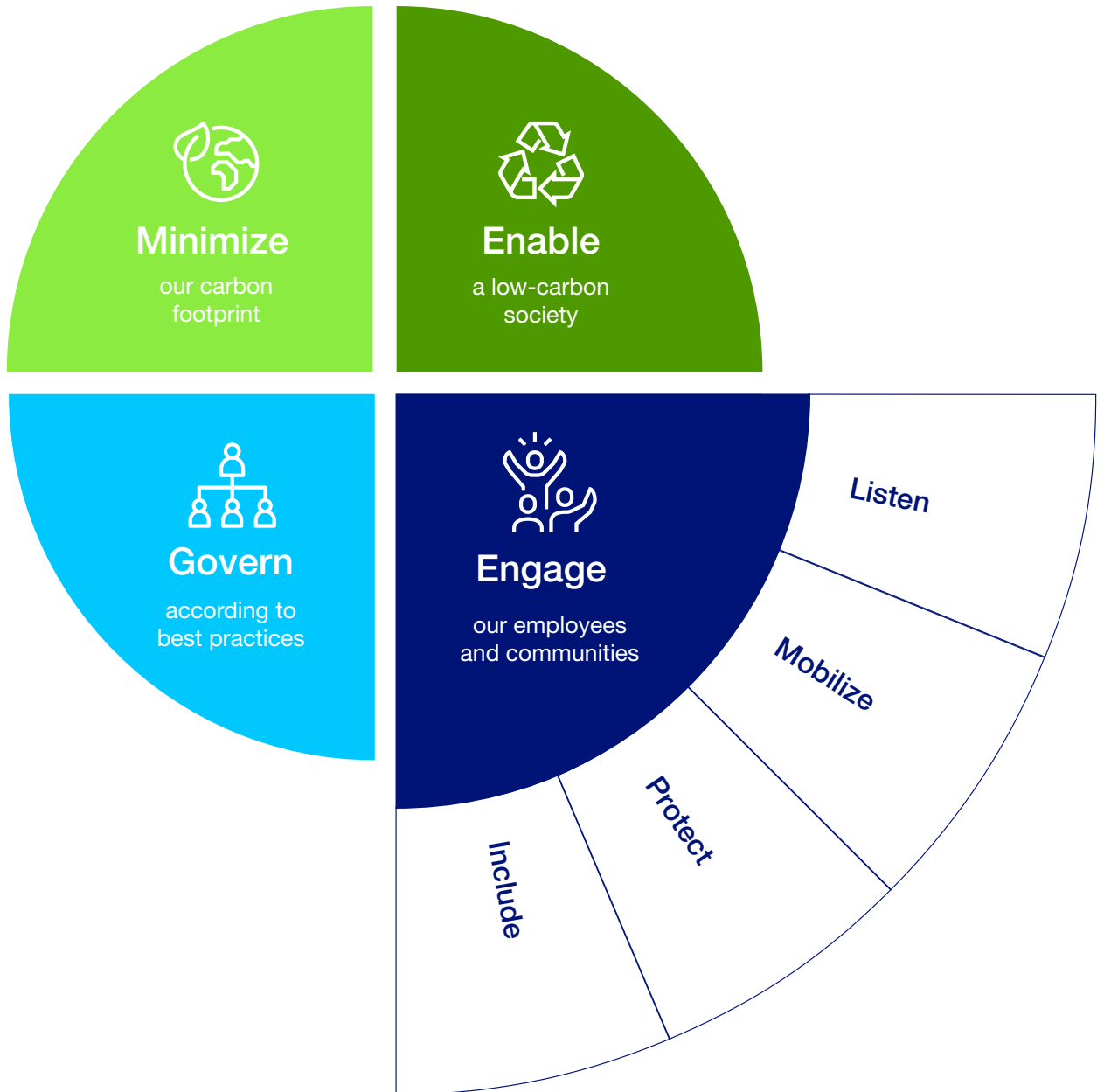


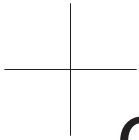
**Engage
employees
and com-
munities**

3

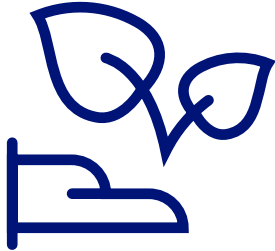


We act





Our commitment



Lead in sustainable engagement

Our practices in action

Our employees' feedback is core to our continuous improvement and was borne out by an impressive 87% engagement score in 2022. We stand 4 percentage points above the Willis Towers Watson global manufacturing norm, based on 2.1 million employees surveyed over the last 18 months.



Management approach

Engaging all stakeholders is key to anchoring our operations in the local socio-economic environment. From individuals to large groups, we invest in promoting long-lasting and trust-based relationships with all our stakeholders to maximize our impact and successfully tackle the global challenges we all face. Our five categories of stakeholders are employees, business partners, business influencers, financial institutions, and unions. We also engage with local governments and communities.

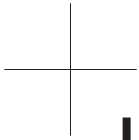
At Sulzer, our Executive Chair leads engagement. With strong processes and programs for regular interaction, we build upon our stakeholder feedback to define priorities and create action plans.

Under this framework, Sulzer has four priorities:

- Listen: Seek the feedback of our employees and learn from it
 - Mobilize: Activate our employees, business partners, and communities
 - Protect: Ensure the safety of our employees and promote their well-being
 - Include: Drive diversity and inclusion in the workplace
-

We address these priorities by focusing on:

- Listening at scale
 - Having equal pay practices, evidenced by independent auditors
 - Interacting closely with our local communities
 - Preventing occupational injury and illness
 - Promoting health and wellbeing
 - Being the most attractive employer, evidenced by external certifications
-



Listen



Our practices in action

87%

engagement level

83%

manufacturing norm

We are committed to cultivating a work environment where people thrive and are empowered to make a difference. Employee feedback is essential for continuous improvement in this area. We will continue to seek it and act upon it.

Results and lessons learned

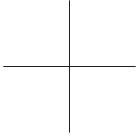
Labor relations

We are committed to the United Nations Global Principles on Business and Human Rights. We respect the right to freedom of association and collective bargaining for all employees, which includes promoting it through our Code of Business Conduct. The percentage of workers covered by a collective bargaining agreement varies by country.

The joint Health & Safety committees meet monthly or quarterly. They are consulted about H&S matters such as personal protective equipment, risk assessment, accident investigation, safety programs, and campaigns. They review the statistics and evaluate the adequacy of the programs.

Listening at scale

Our global employee survey, Voice of Sulzer, continuously seeks and learns from employee feedback. Introduced in 2018, the survey is conducted every 18 months, allowing for a rhythm of detailed analysis of results, definition of new actions and implementation. Responses to the 40-question surveys are anonymous and strictly confidential. Employees participate through email invitations, posters with QR codes and mobile stations at production sites. We want to allow employees every possibility for their voices to be heard.



We reached an impressive global response of 90% in the latest survey with very positive results. We performed remarkably better than the benchmark consisting of other companies in the manufacturing sector. Highlights that reflect our positive work environment:

- 93% of respondents say they go the extra mile to help Sulzer succeed
- 90% feel empowered to have a real impact and say they have sufficient authority to do their job well
- 88% perceive Sulzer to be an inclusive employer where employees can be themselves and are respected whatever their gender or nationality

It is vital that our employees have the opportunity to voice feedback on a regular basis, so we work to closely connect them with our leadership team. Our internal social media platform is instrumental, with one community dedicated specifically to outreach to the Executive Committee. We held numerous global townhalls in 2022 for different functions, divisions, and business units. We have also introduced small group meetings with Executive Committee members with just eight employees at a time, providing opportunities for meaningful, in-depth dialog.

84%

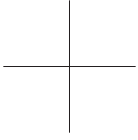
of employees recommend
Sulzer as good place to work

A good place to work

We are proud that 84% of our employees in the September 2022 survey would recommend Sulzer as a good place to work.

Our commitment as an employee-centric workplace with excellent HR policies and people practices is also underscored by the external recognition we receive as an employer of choice. We have been certified as a 2023 Top Employer in five countries (China, Brazil, Switzerland, the UK, and the USA). The certification survey covers six HR domains with 20 topics, including people strategy, work environment, and learning. The threshold for Top Employer certification is a score of at least 60%, and we are pleased to have reached an average score of 85% across the five countries.





We are particularly proud of our excellent score of 95% in Sustainability, which is significantly above the benchmark of 85%. This shows that sustainability is fully embedded and lived within our community.

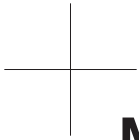
Outlook

Analyzing results from the latest Voice of Sulzer survey, we have identified opportunities for improvement around process, response to market changes, and customer focus. Beyond our local and global action agenda from the Voice of Sulzer, we will further diversify our listening strategy. We will introduce additional employee life cycle surveys for new hires, for example, and special surveys on topics such as well-being.

Taking local action to create feedback loops

In the most recent Voice of Sulzer survey, the Netherlands boasted excellent results across all categories – on average 12% above the country's manufacturing norm. This outstanding result is testimony to the effective local action taken on feedback from earlier surveys. To improve communication, local management and HR created conscious feedback loops. They trained leaders to regularly give feedback to their teams and embedded the performance management cycle in their way of working – the same process applying to employees at all levels. They also introduced open, informal coffee chat sessions with management. These are held in different languages, inviting people to share feedback in their native language. With the art of giving and receiving feedback more firmly rooted in the organization, participation in global surveys has also increased substantially.





Mobilize



Our practices in action

Both internal and external mobilization are key to moving our sustainability agenda forward. Only when we have the full and active support of our employees, close collaboration with our business partners, and engagement by our communities will we achieve our goals and maximize our contribution to solving the global challenges of climate change.

Activating our employees

20

sustainability ambassadors

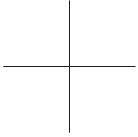
6

sustainability panel meetings

Results and lessons learned

A small group of employees from across the organization served as our sounding board in a series of six sustainability panels in 2022. Their voices have helped us define the focus of our initiatives and how we communicate. Our Sustainable Sulzer agenda has been inspired and informed by employee feedback from our Voice of Sulzer surveys (see the “Listen” chapter). We commit to keeping our employees informed of our latest progress and create opportunities for open dialog with them. A new feature was launched on our global intranet site in 2022, providing regular updates on sustainability at Sulzer. Several global sustainability webinars were held, and we created an ambassador network that brings together employees who are eager to drive change.

In recent years, we have seen a growing number of grassroots volunteer activities take shape across our organization. We built on this momentum in March 2022 by launching a global guideline on community involvement. This gave every employee an opportunity to take one working day of paid leave to volunteer in an activity organized by the company.



Our Technology Center team at Sulzer Pumps USA volunteered at the Washington Park Rose Garden in Portland, Oregon. Teams in Bruchsal, Germany, and Gothenburg, Sweden, chose to organize litter clean-ups (see related story “[Volunteering for a cleaner world](#)”). Those are just a few examples.

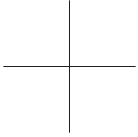
Our employees also joined in charity events. They took part in the Pink Ribbon Charity Walk for breast cancer awareness in Zurich, Switzerland. They organized school supply donations in Portland, Oregon, and Pasadena, California. Sulzer Mexico donated clothes and toys to underprivileged communities. Globally, Sulzer donated CHF 200'000 to the Red Cross in March 2022 for immediate humanitarian aid for Ukraine. At the same time, Sulzer offered to match employee donations. Within one month, our employees raised EUR 52'515, which doubled to EUR 105,030 in aid to Ukraine following Sulzer's gift matching.

Also key to the mobilization of our employees is our umbrella framework promoting health and well-being. This is known as Sulzer in Motion (described in detail in the “Protect” chapter).



Collaborating with our business partners

Starting with its supply chain, Sulzer's business partner selection process includes sustainability criteria and contractual clauses linked to its Code of Business Conduct. Suppliers are assessed – and re-assessed – on criticality and performance. A sustainability questionnaire covers critical environmental/social/governance (ESG) issues. This ensures at the early selection stage that suppliers are assessed against Sulzer's minimum ESG requirements. Non-compliant answers prompt further assessments and clarifications before any final decision on awarding a contract is made. Human rights requirements are prominent in the Sulzer Code of Business Conduct. These are disclosed on [sulzer.com](#) and under our [Communication of Progress report](#). The company has the same expectations of its business partners that it has for itself. Requirements are enforced both internally and externally. If the supplier's answers don't meet Sulzer's minimum requirements, we request they develop an improvement program. When required, we provide guidance to enable the supplier to meet their contractual obligations. If the results do not reach Sulzer's standards, an in-depth assessment is performed that could lead to an on-site audit and joint development program or the cessation of business relationships.



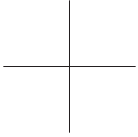
Consistent with our United Nations Global Compact (UNGC) commitment, we have named our priority human rights issues: protections against child labor and forced labor, and the health and safety of everyone. The sustainability directive that we introduced in 2022 provided the framework for our additional directives on human rights and more specifically on child rights.

Sulzer began in-depth work to identify salient issues across the value chain – involving legal affairs, risk management, procurement, and sustainability teams. We initiated a review of our supply chain’s due diligence process, which we updated with an increased emphasis on our value for human rights, including protections against child labor and forced labor. One early finding was that further explanations on human rights are needed to ensure business partner alignment with our strict requirements. This is creating internal momentum and enhanced collaboration among departments. It validates our approach and supports the deployment of ESG priorities throughout our supply chain.

Seven months after implementation of the ESG due diligence directive, we assessed and improved our sustainability questionnaire. We form focus groups with suppliers when we see an increased risk of issues, based on the country rating and sector-specific assessments. We also work with our procurement team to ensure that ESG and human rights topics are included in field audits.

Our 2022 ESG due diligence overview:

- Eight ESG categories are covered, ranging from anti-bribery and corruption to child labor, forced labor, occupational safety, environment, conflict minerals, and labor rights
- There is a significant spread of scores depending on the maturity of the suppliers in these areas, with the highest favorable scores in labor rights and the environment
- The least mature suppliers require development in the field of conflict minerals and anti-bribery
- A few suppliers have been rejected on account of having very low scores for anti-bribery and anti-corruption



Sulzer's values apply both downstream and upstream. In 2022, we interacted with customers who made their own selection process improvements by including more sustainability-related topics. We answered questions on the company carbon footprint and directly interacted with their representatives. We provided the rationale for the significant improvement in our carbon footprint, directly benefiting our customers' scope 3 reduction targets.

We were part of the pilot group of companies that contributed to the design of Shell's Supplier Energy Transition Hub. Sulzer is one of Shell's most carbonized suppliers in its category for the period 2020-2021. Through our collaboration, we identified the best ways of engaging with the platform, which would help Sulzer to make optimal use of the hub, thus further progressing our sustainability journey.

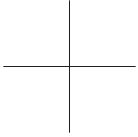
90'000

indirect jobs created in 40 countries

Engaging our communities

Sulzer's presence spans the globe, with 180 sites across 40 countries. We value our close and enduring relationships in local communities and the shared benefits that result. Our team in Germany proudly celebrated its 150th anniversary this year, and Sulzer South Africa turned 100.

- We directly employed 13'000 people worldwide, leading to 90'000 indirect jobs
- Worldwide we paid CHF 87.3 million in income taxes. In addition, we paid several million CHF in other taxes (e.g., stamp duties, transaction taxes, value added tax (VAT), and goods and services tax (GST))
- We directly paid suppliers CHF 2.2 billion

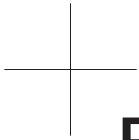


Local teams are fully empowered to engage with stakeholders and take rapid action on feedback they receive. For example, when neighbors reported loud noise from inverters in a solar panel system at one of our sites in Germany, the issue was speedily resolved by mounting walls around the inverters for acoustic insulation. Around the world, our teams also organized volunteering and charitable giving activities that benefited their local communities and surroundings. Partnerships with community schools have offered early work experience for students.

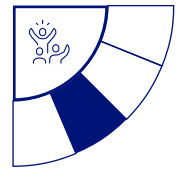
Outlook

We look forward to building even stronger community bonds in 2023 and expanding volunteer activities. Much of this will be influenced by employee involvement in our sustainability agenda.

In 2023, thanks to our newly designed sustainable procurement strategy, we will further engage with our suppliers in the field of decarbonization. We expect climate-related criteria to become increasingly important in our business partners' selection processes, and we are ready to support them on their decarbonization journeys.



Protect



Our practices in action

Ensuring the safety of Sulzer employees is our highest priority. Just as important is the promotion of employee health and wellness through our holistic well-being framework.

A safe workplace

0.9

accident frequency rate (AFR)

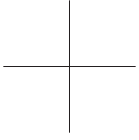
94%

of our employees agree that their work area is a safe place to work

Results and lessons learned

We continue to improve safety at our sites. In 2022, our accident frequency rate went down to an all-time low of 0.9.

- Human performance: Because people make mistakes, we include human factors in our processes and engage workers to learn and improve how we work. This is core to our Human and Organizational Performance (HOP) approach.
- Life-saving workplaces: Our employees use life-saving rules to perform high-risk activities. This prevents them from being seriously or fatally hurt. This year we focused our efforts on electrical test beds and extended our life-saving rules to contractors.
- Safe processes: Our environment/safety/health (ESH) management systems provide the framework for accident prevention, with continuous improvement through engagement, risk assessments and consultation. With an update in 2022, our ESH information system is now fully deployed. We have strengthened our mergers and acquisitions process to assess the ESH culture of businesses that we plan to acquire. We will also assess their capabilities to meet Sulzer's expectations with a focus on senior-level positions and a plan for upskilling leaders if necessary. We continue to enforce safety management at key sites with hazardous processes that involve flammable, explosive, and toxic chemicals.

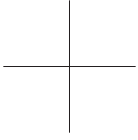


- Secured operations: At Sulzer, the concept of secured operations encompasses all aspects of security, from personnel and travel to facilities and compounds. We protect our travelers wherever they are in the world.

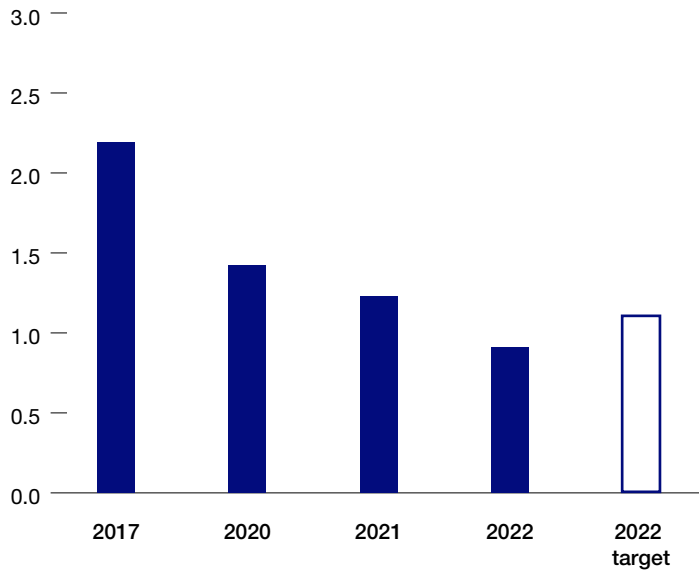


Human & Organizational Performance

At Sulzer Mexico, our teams pre-empted serious injuries by running a learning team in October 2022. This team brought together workers, production, maintenance, operational excellence, and ESH managers. Together, they assessed how a cutting machine operation could be made safer, preventing serious injury. They co-designed additional safeguards that the workers then improved to better match their safety and production expectations. Their practice has been shared globally with other sites operating the same equipment. People are now safer, more engaged as their voices count, and more productive as the job is made easier. The learning team is part of the Human & Organizational Performance (HOP) process that we have initiated at Sulzer.



**Overview of safety-related accident frequency rate
(Sulzer employees, per 1 million hours worked)**



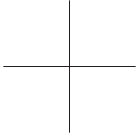
● AFR (accident frequency rate)

Promoting health and well-being

3'500

employees participated in Sulzer in Motion

In 2020, we introduced Sulzer in Motion, our global umbrella framework for promoting the health and well-being of our employees. It is a holistic approach that encompasses physical and mental health, social health, the working environment, and good lifestyle choices. This framework is now well established globally.



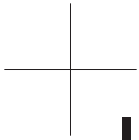
In 2022, we launched a company-wide Sulzer in Motion initiative called Pulse, offered in collaboration with Virgin Pulse. More than 3'500 employees chose to join throughout the year to access health content, get personalized well-being tips, and start mini challenges with their teams. We also offered three company-wide challenges:

- The Mindfulness Challenge in spring put the focus on mental health and encouraged employees to regularly practice mindfulness, e.g., through meditation or a nature walk.
- For the World Tour Challenge in summer, employees formed teams of seven people who tracked their physical activities over a period of six weeks. These activities were converted into steps, taking the team on a virtual tour across the world.
- The Sustainability Challenge in autumn focused on sustainable eating, with employees bringing homemade lunches to work, reducing the amount of waste they produce from food packaging, and organizing sustainable team lunches.

Outlook

Keeping our employees safe is our top priority. We strive to achieve an accident frequency rate of 1 or less, while also minimizing the severity of injuries. We are proud of our accomplishments and will continue building upon our HOP principles.

Sulzer in Motion will continue in 2023 with an emphasis on local well-being initiatives that apply more closely to our employees than broader company-wide efforts. As awareness of mental health issues grows, we will intensify our efforts in this area too. Enhancing global communications around mental health will lay a strong foundation for more local action.



Include



Our practices in action

88%

of our employees agreed “people at this organisation treat each other with dignity and respect regardless of their personal identities”

80%

manufacturing norm

“We build on the strengths and diversity of our people” is one of Sulzer’s three values. We are particularly proud to have been able to verify this year, through our regular opinion survey, that this value is being lived out on a daily basis by our employees.

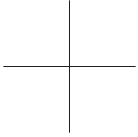
Results and lessons learned

Embracing diversity

Mirroring our global footprint, our workforce is internationally diverse, with at least 83 nationalities represented. Close to 90% of our managers are from local communities, anchoring our operations in the countries where we are present.

We strive to reflect the global workforce age distribution in our own employee population. We recognize the benefits that come from diversity of experience and from enabling intergenerational dialog and learning. Our age distribution is well balanced: 30% of our employees are 35 or younger, 54% are between 36 and 55, and 16% are over 56.

We have introduced conscious HR practices to increase the level of female talent. We are also leveraging internal promotions and other actions to reinforce the ranks of female leaders – now and for the next generation of leadership. We have a minimum target of 16% of women in top management. This figure corresponds to an objective of parity with the current gender distribution in the company. Currently, Sulzer’s workforce is 16% female, and we want this figure to be reflected in the company’s management. We also want to increase the proportion of women in the company to 20% by 2025, maintaining the same principle of parity in senior management. Since November 2022, Sulzer has been led by its first female CEO, Suzanne Thoma.

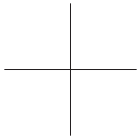


We also are active in promoting more women in the engineering industry through our Women in Sciences and Engineering (WISE) program. In close collaboration with selected academic institutions, female engineering students receive financial support, visit Sulzer facilities, and gain access to Sulzer coaches and other learning and training opportunities. In 2022, we supported 19 female students from South Africa, Brazil, China, India and Indonesia. This brings the total number of Women in Sciences and Engineering (WISE) participants to 35 since the program's launch in 2019.

Sulzer is fully committed to the principle of equal pay for equal work. We systematically collect data on salaries, bonus payments and benefits to identify potential pay gaps and rectify these gaps. In 2022, we completed the pay analysis for eight countries, and we are determined to expand the scope to all remaining European Union (EU) countries – plus countries outside of the EU – in 2023.

We recognize that our employees have responsibilities beyond work. They have families, are caregivers and have other outside interests. Our policy on flexible working, introduced in 2021, offers employees the flexibility they need at different career and life stages. Where possible, this allows for a flexible start and end of the working day, remote work for part of the week, and temporary reductions in working hours.

As we strive to expand the overall diversity of our workforce, it is important that we start with job postings that attract a diverse pool of candidates. We must also design the hiring process in a way that offers all candidates equal opportunities. In 2022, we completed a soft launch of new interview guidelines and training for hiring managers. The full launch is planned for 2023. Both the guidelines and training build heightened awareness among our hiring managers, ensuring they are equipped with the right skills to help us reach our diversity goals.



200

apprentices

11'000

employees on Sulzer Learning Pathways

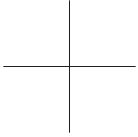
Creating opportunities for growth

We strive for an active learning culture at Sulzer, embed learning in everything we do and encourage our employees to seek and share knowledge. Our strong belief in internal development and continuous learning is demonstrated by the variety of growth opportunities that support our employees' aspirations. We have partnered to introduce a new learning platform to reach as many employees as possible, tailored to meeting their unique needs. Sulzer Learning Pathways was first piloted in a small number of countries in 2021. It was rolled out globally in 2022, and more than 11'000 employees now have access. This new platform offers a wide range of learning content to develop technical, functional and soft skills. Employees set their individual learning goals and work toward them at their own pace.

634

participants in global management programs

We also invest in training and upskilling of our people managers. Three global management programs in 2022 focused on management skills linked to our TEAM and LEAD behaviors, benefiting 634 people managers.



It is just as important to create opportunities for the next generation of employees. We have encouraged talented young individuals to begin their careers at Sulzer, welcoming nearly 200 apprentices, interns, and student trainees across our top seven countries in 2022.

Not to be overlooked, highly valuable on-the-job learning opportunities await our employees. Our work to heighten the importance of professional development conversations is now firmly centered in our performance management cycle. We are happy to share that in 2022, 70% of promotions into executive positions (Sulzer Management Grade (SMG) were internal. Responding to employee feedback in the Voice of Sulzer surveys (see the [Listen](#) chapter), we have further improved access to internal career advancement. This includes an exclusive application window of five days for internal candidates.

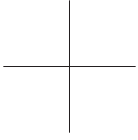
Our efforts are proudly reflected in the results of the September 2022 Voice of Sulzer survey. Our 75% positive rating for personal development is up 2 percentage points from 2021. However, more remains to be done, and this will remain a priority focus for our organization.

Outlook

While several measures exist to increase diversity in our workforce, we must further strengthen our focus on diversity, equity, and inclusion (DE&I). A global DE&I policy is underway, to be launched in 2023. We are also stepping up communication on this topic, to underscore its importance to Sulzer and build the necessary awareness. Only through living inclusion in our day-to-day work will we be able to fully unleash the potential of all our people.

We will also further expand our learning opportunities with a particular focus on adapting training for people managers with varying levels of management experience.

Finally, we will continue to investigate how to further facilitate internal mobility. This includes increasing transparency on model career paths, creating an inventory of skill sets needed for different positions, and encouraging growth through horizontal role changes.



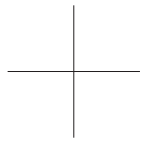
Growing our own talent

Sulzer Services in the UK offers a range of different apprenticeships, from engineering technicians and customer support engineers to business administrator apprenticeships. During their time at Sulzer, our engineering apprentices work alongside experienced colleagues to get practical hands-on training and attend college classes to underpin their technical knowledge. In their third and fourth years, they get the opportunity to work at other service centers across the country, widening their network and knowledge of the engineering industry.

In September 2022 we applauded 13 apprentices who successfully completed their apprenticeships and accepted full-time positions at Sulzer. One of our recent fourth-year apprentices won the Association of Electrical & Mechanical Trades (AEMT) Rising Star award in November 2022 and has gone on to be sponsored through a Mechanical Engineering degree by Sulzer. Several of our other apprentices have gone on to study Higher National Certificates through Sulzer. Additionally, three of our current service center managers started as apprentices at Sulzer, which is a great reflection of how successful the apprenticeship program can be in growing our own talent.

To help encourage more young people to consider a career in engineering, we are working with a number of schools across the country to support work experience opportunities within our service centers.

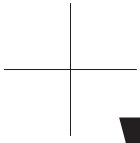




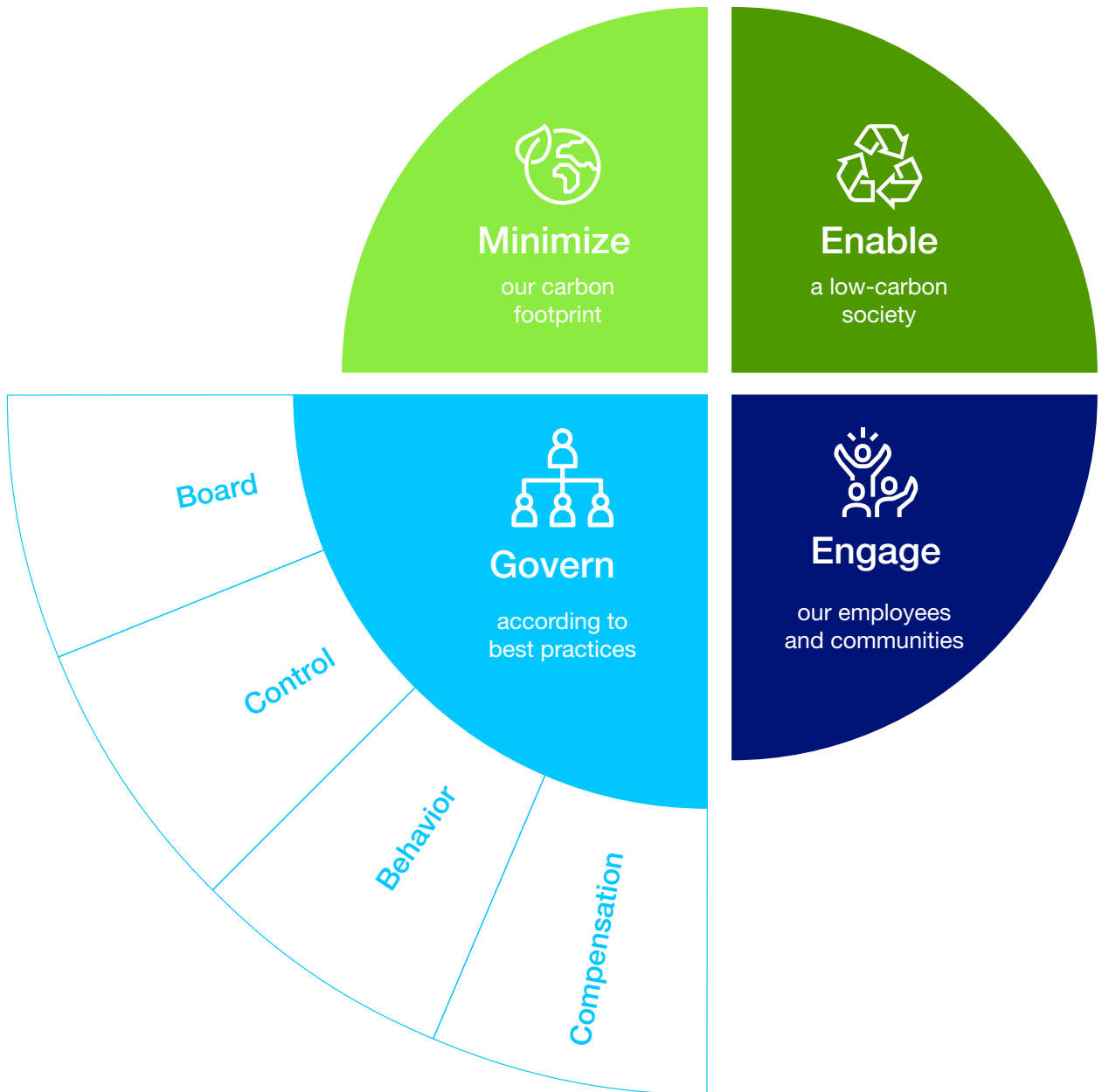
Govern according to best practices

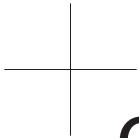
4





We act





Govern

Management approach

Governance is key in ensuring that Sulzer is directed, supervised, and held accountable for its performance. This engenders trust in the company and its management in the way it behaves. Sulzer is committed to acting ethically according to international governance standards (e.g. IFRS, OECD, etc.), be it in the field of anti-corruption, compliance or risk management. This also includes sustainability and is managed through Sulzer's Code of Business Conduct and directives, the set of documents that frame the company's behavior.

Under this framework, Sulzer has four priorities:	We address these priorities by focusing on:
<ul style="list-style-type: none">• Compensation: We believe that compensation aligned with market practices enables fair practices and attracts talent• Behavior: This is fundamental to building and retaining trust and requires leadership by example• Control: Setting the mechanism to control the corporate behavior and practices to allow fair business conduct• Board: As the ultimate organ with oversight over the company, it is critical that its members are properly qualified and elected to ensure its effectiveness	<ul style="list-style-type: none">• Control mechanisms• Business management routines• Enterprise risk management• Business ethics

At Sulzer, the chairperson of the Board of Directors is ultimately accountable for company performance and behavior. Various Board committees define, orient, and control the company performance. The Board of Directors and its Strategy and Sustainability Committee (SSC) ensure that Sulzer's solutions contribute to protecting the environment, that people and communities are safe, and that suitable management processes and systems are in place. The Executive Committee is accountable for the results.



Compensation

Full information on Sulzer's 2022 compensation governance is listed in the compensation report of the Sulzer Annual Report 2022.

[Sulzer Annual Report 2022.](#)

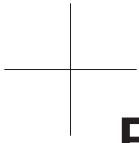
Compensation governance and principles

Compensation policies and plans at Sulzer reward performance, sustainable growth, and long-term shareholder value creation. The compensation programs are competitive, internally equitable, straightforward, and transparent. The compensation report is prepared in accordance with the Ordinance against Excessive Compensation in Listed Stock Corporations (Compensation Ordinance), the SIX Swiss Exchange Directive on Information relating to Corporate Governance (RLCG) and the principles of the Swiss Code of Best Practice for Corporate Governance.

The Articles of Association, the Board of Directors and Organization Regulations, and the Remuneration Committee Regulations (which can be found, at [sulzer.com](https://www.sulzer.com) under "Regulations") define the functions of the Remuneration Committee (RC). The RC supports the Board of Directors in establishing and reviewing the compensation strategy and principles, and in preparing the proposals for the Shareholders' Meeting regarding the compensation of the members of the Board of Directors and of the Executive Committee.

The Remuneration Committee is responsible for the following activities and submits all proposals concerning these activities to the Board of Directors, which has the final decision-making authority:

- Periodic assessment of the compensation policy and programs
- Determination of performance targets for the CEO and the Executive Committee positions for the purpose of the incentive plans
- Preparation of the proposals for the Shareholders' Meeting on the maximum aggregate amounts of compensation for the Board of Directors and for the Executive Committee
- Determination of the target compensation for the CEO and for the Executive Committee positions
- Preparation of the compensation report



Behavior

Corporate behavior is a fundamental factor in preventing compliance issues such as fraud, executive misconduct, corruption scandals, money laundering, anti-trust violations, and tax-related controversies. At Sulzer we address these matters through risk assessment and management, business ethics, policies, and practices.

Risk management and compliance

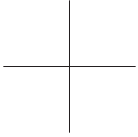
A full overview of the main risks and corresponding mitigation measures is provided in the Risk Management chapter of the Sulzer Annual Report 2022.

[Sulzer Annual Report 2022.](#)

Reporting scheme

Sulzer has a compliance hotline and an incident reporting system that provides employees with one of many ways to report (potential) violations of laws or internal rules. Reports can be made anonymously or openly via a free hotline or a dedicated website (sulzercompliancehotline.com). The main purpose of the hotline is to enhance transparency within Sulzer and to address critical matters at an early stage. It requires that all issues raised and incidents reported in good faith are taken seriously and the problems shared are addressed swiftly and in a sustainable manner.

The company has a directive that sets out clear rules for internal investigations. Each report is analyzed by the HQ compliance team or the regional compliance officer if the information is available. The reporter is provided with credentials allowing him/her/them to check the status of their report, receive feedback, or provide more information if deemed necessary.



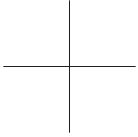
In 2022, Sulzer recorded 127 complaints through its hotline, which were analyzed and led to deeper investigation when required, in accordance with its internal directive (“As a general rule, all reported cases need to be investigated. In some minor instances, a reported matter will not require an investigation [for example, if there are no allegations of misconduct or misdeeds or if corrective measures are not required due to the nature of the allegation]. In case of doubt, Group Compliance shall decide based on professional judgement.”).



Approach to tax

Our tax strategy is closely related to our business strategy and also to the sustainability goals. It encompasses the following main strategic priorities:

- Full compliance with tax regulations, accurate and timely reporting, and effective tax risk management
- Safeguarding of the Group’s reputation as a responsible taxpayer
- Existence of a sound organizational set-up for appropriate tax management
- Full compliance of tax planning and optimization activities with tax laws, supported by solid business reasons to sustain a credible long-term reputation with tax authorities
- Disclosure of meaningful tax information in a transparent way
- Continuous improvement and harmonization of tax processes through simplification and digital solutions



The governance body

Sulzer's Board of Directors is responsible for the Group's tax strategy. The tax function is embedded in the finance department and is therefore within the responsibility of the Chief Financial Officer of Sulzer Group.

The Chief Financial Officer and the Head of Group Tax regularly inform the Board of Directors about key strategic tax topics, including updates on tax developments within the Group and the tax risk assessment. Regular updates on all material tax topics and their current and future impact on the Sulzer Group's financials are provided by the Group tax function to the Chief Financial Officer of Sulzer at regular meetings.

Tax function

Local day-to-day responsibility for tax (e.g., for local corporate tax and VAT) compliance is held by our local personnel with responsibility for finance.

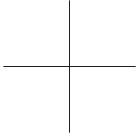
In key markets (i.e., China, India, USA, and UK) with multiple Sulzer entities, we have established centralized local tax functions that are hosted within the local finance function.

Our Group tax function oversees compliance with the Group's tax strategy, ensures coherence in the approach to tax matters across all locations, coordinates the local tax functions within the Group, and focuses on strategic tax matters that directly concern the Group as a whole.

Approach to regulatory compliance

In over 50 countries we act not only as a taxpayer but also as a tax collector (e.g., for local withholding taxes). Taxes and compliance with the relevant laws are part of our overall Group business principles and codes. The professional development and continuous learning of local finance office-holders and continuous dialog with internal stakeholders are assured. In applying the laws, we take into account both the content and the spirit of the law. The complete, accurate, and timely preparation and submission of all required tax returns is subject to clear internal rules and processes.

This is equally true for the correct and timely payment of taxes.



We constantly aim for security in our tax positions and seek internal or external advice to review and validate our position where appropriate. If we seek decisions from tax authorities to confirm applicable tax treatment, we do so on the basis of full disclosure of all relevant facts and circumstances.

The approach to tax is linked to the business and sustainable development strategies of the organization

Our transactions have proper commercial purposes and economic rationale. We locate business activities where value is optimally created. We seek to have a tax charge that contributes to superior business performance and delivers long-term shareholder value.

The governance body or executive-level position within the organization is accountable for compliance with the tax strategy

Sulzer's governance body accountable for compliance within the tax strategy is the Audit Committee of the Sulzer Board of Directors.

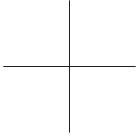
The approach to tax is embedded within the organization

We respect and comply with the laws of the jurisdictions in which we operate. We meet all of our tax obligations on time. Our tax obligations include pricing transactions in our global value chain according to where value is created and economic activities occur, in compliance with the Organisation for Economic Co-operation and Development guidelines, based on the arm's-length principle.

Each of the elements above are key to defining our tax strategy. They guide us in our everyday decision-making and ensure that we operate within a risk appetite that is acceptable to the Executive Committee and Board of Directors of Sulzer.

The approach to tax risks, including how risks are identified, managed, and monitored

Sulzer is committed to strong governance. We seek to identify, assess, control, and report tax risks in accordance with our global risk management framework. Risks identified as material are reported to the Audit Committee.



Compliance evaluation with the tax governance and control framework

Given the size, geographic scope, and complexity of our operations, and at times, uncertainty regarding the application of tax laws, risk may arise in the determination of our tax liabilities.

The identification and management of risk are central to achieving our corporate purpose of creating long-term shareholder value. Risk management is embedded in all of our critical business activities, functions, processes, and systems through the following mechanisms:

- Risk assessments – we regularly assess known, new and emerging risks
- Risk controls – we put controls in place over material risks, and periodically assess the effectiveness of those controls
- Risk materiality and tolerability evaluation – we assess the materiality of a risk based on the degree of financial and non-financial impacts, including health, safety, environmental, community, reputational, and legal impacts

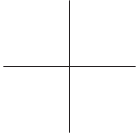
We assess the tolerability of a risk based on a combination of residual risk and control effectiveness.

- Description of the mechanisms for reporting concerns about unethical or unlawful behavior and the organization's integrity

Sulzer has committed to trustworthy and transparent communication with the tax administration. Possible violations of laws or regulations including tax laws can be reported anonymously (whistleblowing).

- Description of the assurance process for disclosures on tax and, if applicable, a reference to the assurance report, statement, or opinion

An extensive set of systems and controls are in place to manage our material and non-material risks. Examples of controls include regular engagement with local advisors to ensure we are aware of any changes in tax law or interpretation that may impact us, and scheduled benchmarking studies to ensure transactions are priced at arm's-length terms.



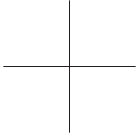
We seek independent external tax advice in relation to materially uncertain tax positions. Materiality is determined based on a number of elements, including the quantum at risk, the level of technical uncertainty and the change in law risk, as defined in our Tax Risk Standard.

The controls are also subject to a regular verification process to ensure they are operating effectively. Each year, all material risks are assessed on the basis of the effectiveness of their controls and given a rating which is reported to management and to the Audit Committee of the Board of Directors. The risks inherent in individual transactions are managed through our tax policies and guidelines. These documents provide approval levels and escalation points for all tax matters.

Matters are considered for escalation based on a number of elements including the quantum at risk, reputational risk, level of technical uncertainty, and change in law risk. The Board of Directors requires the CEO to implement a system of control for identifying and managing risk. The Global Head of Tax is accountable for the management of tax risk and provides an annual update to the Board of Directors. Individual risk owners are accountable to the Global Head of Tax for the assessment and management of their risk.

The approach to engagement with tax authorities

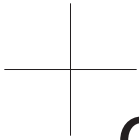
Sulzer acts with integrity when engaging with revenue authorities to support positive and sustainable relationships. Where possible, for the purposes of obtaining certainty of our tax positions, we engage with revenue authorities regarding the application of the tax law and to identify and resolve any disagreements on a timely basis. Where appropriate, we work with tax authorities to obtain rulings or guidance on future tax risks and the interpretation of tax law. Given the size, geographic scope and complexity of our operations and the occasional uncertainty regarding the application of tax laws, we sometimes disagree with tax authorities over the amount of taxes to be paid. Where possible, we engage with revenue authorities on a real-time basis regarding the application of the tax law and to identify and resolve any disagreements promptly. Where we ultimately do not agree with a tax authority's position we will defend our position, including by initiating court action if necessary.



The approach to public policy advocacy on tax

Taxes represent an essential basis for the economic and social development of all countries. Therefore, both compliance with responsible tax practices by companies and the sustainability and efficiency of tax systems are of particular importance. Sulzer has therefore always welcomed work at national and international levels toward a transparent and fair tax system. Through our engagement in several associations, including SwissHoldings and economiesuisse, we develop our tax positions in dialog with key stakeholders and present them transparently. In recent years, a number of national and international regulations have resulted in significant enhancements in corporate tax transparency. In addition to the country-by-country reporting, this also includes the implementation of the European DAC 6 Directive.

Nevertheless, implementing such regulations involves considerable effort for companies. We therefore strongly advocate for regulations to strike a fair balance between the interests of governments and the associated administrative burdens for companies and taxpayers.



Control

A full overview of compliance and governance is provided in the Sulzer Annual Report 2022.

Risk management and compliance

Sulzer has established and implemented a comprehensive, value- and risk-based compliance program that focuses on prevention, detection and response. It consists of the following main elements:

- Strong values and building up a strong ethical and compliance culture
- Risk assessment
- Internal rules and tools

At Sulzer, risks are assessed regularly as part of the Company's integrated risk management process. The results are discussed with the management and the Audit Committee. ESG risks are considered as strategic-related risks.

For cyberthreats and data protection, please refer to the Sulzer [Sustainability Report 2021](#).

[Sulzer Annual Report 2022](#).
For cyberthreats and data protection see [sustainability report 2021](#).



Board

A full overview of the Board of Directors is provided in the Sulzer Annual Report 2022.

[Sulzer Annual Report 2022.](#)

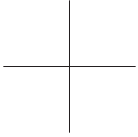
Members of the Board of Directors are elected individually for a term until the end of the next AGM. At the AGM of April 6, 2022, Peter Löscher, Mikhail Lifshitz and Gerhard Roiss did not stand for re-election. All other members were reelected. Suzanne Thoma was elected as Chairwoman of the Board of Directors.

In addition, Markus Kammüller was elected as a new member of the Board of Directors. The Board consists of six members. Except for Suzanne Thoma, who was also appointed the company's CEO as of November 1, 2022, and became the Executive Chair, none of the members of the Board of Directors has ever held an executive position at Sulzer.

Apart from Executive Chair Suzanne Thoma, all members of the Board of Directors are non-executive. None of the non-executive members of the Board of Directors have ever belonged to the management of a Sulzer company or to the Executive Committee, nor do any significant business relationships exist between members of the Board of Directors and Sulzer Ltd or a subsidiary of Sulzer Ltd.

Appointment of an Executive Chair

The Board of Directors of Sulzer AG appointed its Chairwoman, Suzanne Thoma, as Executive Chair of Sulzer as of November 1st, 2022. In this role, she assumed operational management of the Company and also took over the responsibilities of the CEO. The Board of Directors identified a need for action in view of the constantly evolving market environment and the associated structural shift in demand in the energy and infrastructure sectors. Therefore, the Board has tasked Suzanne Thoma with conducting a thorough review and comprehensive realignment of Sulzer's strategy. To ensure optimal cooperation and transparency between the Board of Directors and the Executive Committee in these fluctuating market conditions, the Board of Directors entrusted Suzanne Thoma with managing Sulzer as a whole in an executive chair model.



Outlook Governance framework changes

To ensure an appropriate governance framework and to ensure checks and balances in an executive chair governance model, the Board has decided to take measures and to strengthen its corporate governance framework by establishing a separate, standing corporate governance committee and by appointing a lead independent director, who will chair the governance committee. Subject to being reelected to the Board at the 2023 AGM, the Board intends to entrust its current member Markus Kammüller with the position of lead independent director. The lead independent director shall ensure, on behalf of the Board of Directors, that the rules of good corporate governance are adhered to in the decision-making of the Board. In this context, the lead independent director may call for and chair meetings of the non-executive Board members whenever required. He should also act as a point of contact for members of the Board to discuss matters regarding the Company's corporate governance that they would like to raise in the absence of the Executive Chair.

The governance committee will consist of three non-executive and independent Board members and will meet at least once annually. The governance committee will support the Board of Directors in fulfilling its duties by providing independent advice to the Board of Directors with respect to checks and balances in a governance model where certain Board members have executive functions. Within this scope, the governance committee oversees the Company's compliance with the Swiss Code of Best Practice for Corporate Governance, its internal organizational regulations as well as applicable legal, regulatory and listing requirements in terms of corporate govern and advises the Board on these aspects. It will periodically review the principles of corporate govern and counsel the Board of Directors with regard to significant developments in the law and best practice of good governance. Furthermore, the governance committee will act as a sounding board for the lead independent director.



Global values and rules

Core values

The Sulzer core values are operational excellence, strong customer partnerships, and committed people. Behaviors are based on TEAM and LEAD core elements.

More information on values and behaviors is available at [sulzer.com](https://www.sulzer.com).

Core rules

The Sulzer policies are structured around our management system. There are three levels:

- **Regulations:** These describe fundamental worldwide rules. They are under the exclusive authority of the Board of Directors of Sulzer Ltd.
- **Directives:** These describe the rules, responsibilities, and rights at Sulzer Group level (applicable globally) under the authority of the Executive Committee.
- **The playbook:** This is a set of documents describing how we work at Sulzer in the fields of human resources, sustainability, environment, safety and health (ESH), real estate, and internal communication. It is structured around guidelines (descriptions of recommendations, best practices, responsibilities and rights at Sulzer Group level, applicable locally and/or globally), policies (descriptions of rules, responsibilities and rights at Sulzer Group/division/business unit level, applicable locally and/or globally), and processes (descriptions of mandatory processes and best practices).

Group directives linked to sustainability

Several of our directives relate directly to sustainability topics in the field of environment, social and governance (ESG):

- **Environment:** The directives are often embedded in the ESH directives, with a specific focus on chemical management to prevent exposures and emissions.
- **Social:** This set of documents focuses on our employees and governance practices such as minimum standards of health and safety. ESH directives also cover the accident investigation process.
- **Governance:** This is mostly regulated by legal and risk management with a core set of documents targeting practices such as delegation of authority and approvals, due diligence, trade control, and export compliance, and regulations regarding our participation in trade associations or memberships.

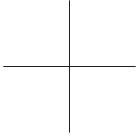


Stakeholder list and approach

Sulzer is often in contact with its stakeholder groups as a part of regular processes, such as active investor relations and the global employee survey Voice of Sulzer. A new baseline interaction plan with each stakeholder group as part of the Sustainable Sulzer initiative began in 2021 and concluded in 2022. The consolidated results of the stakeholder interaction flow into the Sulzer Materiality Matrix. Sulzer is one part of an overall business ecosystem, so engaging with various stakeholders is crucial as all business activities are connected and interdependent. Our stakeholders start with our employees. Sulzer is committed to protecting its employees, as stated in our Code of Business Conduct. It is also committed to the United Nations Global Compact (UNGC) and supports human rights, specifically the right to be free of child and forced labor and the right to health and safety.

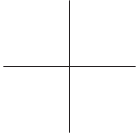
Global versus local scale

Sulzer firmly believes that smooth relationships with its local societal environment are key to providing sound, safe, and accepted operations. This requires local teams to interact regularly with their stakeholders to share information and concerns and maximize benefits to local communities, both directly through employment and indirectly via engagement with other organizations. While some subjects require a company position, local teams are fully empowered to manage their stakeholders and decide on the right way to leverage reciprocal benefits.

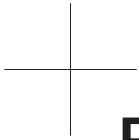


Stakeholder list and interactions

		Interactions
Employees		<ul style="list-style-type: none"> • Voice of Sulzer: employee survey conducted every 18 months covering all employees and including sustainability topics • Educational programs and training
Unions	European works councils (EWC) as core union	<ul style="list-style-type: none"> • Active engagement and long-term relationship of trust with the European works councils, covering the regulatory requirements and sharing sustainability-related information and perspectives on a regular basis, building additional cross-collaboration • Joint ESH committees/works councils in multiple countries
Business partners	Suppliers	<ul style="list-style-type: none"> • Supplier assessments • Collaboration and development • Business events, trade fairs
	Customers	<ul style="list-style-type: none"> • Global key account network • Partnerships and offerings for more sustainable solutions and systems
	Insurance	<ul style="list-style-type: none"> • Dialog relating to the risk management approach, sharing of risk assessment information
	Associations	<ul style="list-style-type: none"> • Sulzer is active in providing representation in numerous industry standards, trade associations, and legislative initiatives through technical advisory groups <p>Memberships include:</p> <ul style="list-style-type: none"> • Federation of Swiss-based Multinational Enterprises, SwissHoldings, and its subgroup for Corporate Social Responsibility • Swiss carbon removal platform • American Petroleum Institute (API), US trade association representing America's oil and natural gas industry • German Engineering Federation (Verband Deutscher Maschinen- und Anlagenbau, VDMA) • Europump, the European Association of Pump Manufacturer Associations



Business influencers	NGOs/NPOs/universities	<ul style="list-style-type: none">• Social activities• Conferences, working groups• Education, internships• Joint development programs
	Local municipalities	<ul style="list-style-type: none">• Education• Taxes• Social activities• Employment
	Media	<ul style="list-style-type: none">• Media releases, briefings, events, and contacts• Regular interviews with top management
Financial community	Shareholders	<ul style="list-style-type: none">• As a listed company, we report on order intake every quarter and on financial results every half-year, including comments on the business performance and outlook• Important events are reported on an ongoing basis (ad hoc publications)• We regularly hold investor days and participate in investor fairs through our Investor Relations office
	Rating agencies	<ul style="list-style-type: none">• We provide information on request and stay in regular touch with important rating agencies via our Investor Relations office



Reporting

Reporting period and scope

The sustainability data includes entities over which Sulzer has operational control. For newly acquired businesses and for demergers, a re-baselining is performed if the change is material (10% impact at Group level).

The sustainability data is now aligned with the fiscal and calendar year.

The data for social factors refers to calendar year 2022 (January 1 to December 31) and excludes the data of the former Sulzer Applicator Systems (APS) division. The social data refers to all of Sulzer unless specified otherwise. For safety statistics, the data covers approximately 180 manufacturing and services sites.

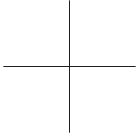
The data for environmental factors refers to calendar year 2022 (January 1 to December 31) and excludes the data of the former Sulzer Applicator Systems (APS) division. All data has been realigned with the new reporting period, as it previously covered periods running from October 1 to September 30. The scope includes Sulzer's 80 most important manufacturing and services sites. For the corporate carbon footprint, the scope 1 and scope 2 emissions include the 80 reporting sites. For scope 3, category 6 (business travel), the scope covers all of Sulzer.

The data for governance factors refers to calendar year 2022 (January 1 to December 31) and excludes the data of the former Sulzer Applicator Systems (APS) division.

Identification of material topics

The Sustainable Sulzer strategy includes 16 fields of actions. The strategy strongly builds on feedback from central stakeholder groups including employees and investors. Additionally, a full materiality analysis process began in 2021, engaging all stakeholder groups with the aim of supporting our engagement policy (see the [Engage](#) chapter). The final materiality analysis with systematic input from all stakeholders was concluded in 2022.

Read more about [our process of defining materiality and our stakeholder inclusiveness approach](#) in this report.



Greenhouse gas reporting (GHG)

Sulzer is committed to following the Greenhouse Gas Protocol (GHG) set by the World Business Council for Sustainable Development and acts accordingly. This is why our emissions were analyzed by an external provider and our corporate carbon footprint (CCF) reports are disclosed on our website.

UNGC Communication on Progress

Sulzer takes part in the United Nations Global Compact (UNGC) initiative. On August 26, 2021, we submitted the corresponding Communication on Progress (CoP). The CoP demonstrates the company's ongoing accountability to the UNGC's Ten Principles of Responsible Business Conduct.

Read more on how we measure our emissions in the [Corporate Carbon Footprint Report](#).

The Sulzer 2022 CoP is available [here](#); former reports are available on [sulzer.com](#).



GRI content index

Statement of use Sulzer Ltd has reported the information cited in this GRI content index for the period of 2022 with reference to the GRI Standards.

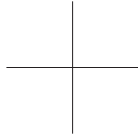
Please see [page 109](#) on reporting for the detailed description of the reporting periods for the different topics.

GRI 1 used GRI 1: Foundation 2021

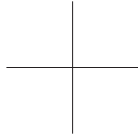
GRI standard

GRI 2: General Disclosures 2021

Disclosure	Location
2-1 Organizational details	Introduction to this report: Sulzer Ltd is a company domiciled in Switzerland. Sulzer Ltd is listed on SIX Swiss Exchange in Zurich, Switzerland. Symbol: SUN; securities no. 3838891/ISIN CH0038388911. The address of the company's registered office is Neuwiesenstrasse 15, Winterthur, Switzerland. Sulzer operates in 40 countries, with 200 sites in Europe, 75 in the Americas, and 68 in APAC. The Sulzer's top seven countries are China, Germany, India, Mexico, the United Kingdom, the United States, and Switzerland.
2-2 Entities included in the organization's sustainability reporting	Company presentation and "Reporting period and scope" in this report (Appendix) and Sulzer Annual Report 2022.
2-3 Reporting period, frequency, and contact point	"Reporting period and scope" in this report (Appendix) and "Publishing details" in this report, Sulzer Annual Report 2022.
2-4 Restatements of information	In 2021, Sulzer carved out its former APS division (now named medmix). The current report provides data for Sulzer as it was organized in December 2022. In addition, following the statement by the Chairman in the Sulzer Annual Report 2021, the sustainability reporting period is now aligned with the calendar year. Previously, the environmental reporting period ran from October 1 to September 30. All Sulzer sustainability data has been recalculated to meet the above changes. See "Reporting period and scope" in the Appendix in this report.
2-5 External assurance	Sulzer's sustainability report has not been assured.



2-6	Activities, value chain and other business relationships	Sulzer is a global leader in fluid engineering, with two centuries of experience developing innovative products and services that drive sustainable progress – and help our customers build a better world. We specialize in pumping, agitation, mixing, separation, and purification technologies for fluids of all types. Our customers benefit from our commitment to innovation, performance, and quality through our responsive network of 180 world-class manufacturing facilities and service centers across the globe. Value chain; Sulzer Annual Report 2022. Supply chain: Given Sulzer’s worldwide reach, Sulzer partners with numerous suppliers in the countries where it operates. Sulzer mainly sources direct materials that are used as primary components for its products and solutions, processed in its manufacturing and service sites. See also “Stakeholder approach” in this report. In 2021, Sulzer successfully completed the spin-off of its Applicator Systems division, renamed medmix. Consequently, the scope of this report excludes medmix activities. See “Reporting period and scope” in this report (Appendix).
2-7	Employees	“GRI Disclosure 2-7 Employees” in this report (Appendix)
2-8	Workers who are not employees	Not disclosed
2-9	Governance structure and composition	Sulzer Annual Report 2022
2-10	Nomination and selection of the highest governance body	Sulzer Annual Report 2022
2-11	Chair of the highest governance body	Sulzer Annual Report 2022
2-12	Role of the highest governance body in overseeing the management of impacts	Sulzer Annual Report 2022
2-13	Delegation of responsibility for managing impacts	Sulzer Annual Report 2022
2-14	Role of the highest governance body in sustainability reporting	Sulzer Annual Report 2022
2-15	Conflicts of interest	Sulzer Annual Report 2022
2-16	Communication of critical concerns	Sulzer Annual Report 2022
2-17	Collective knowledge of the highest governance body	Sulzer Annual Report 2022
2-18	Evaluation of the performance of the highest governance body	Sulzer Annual Report 2022
2-19	Remuneration policies	Sulzer Annual Report 2022
2-20	Process to determine remuneration	Sulzer Annual Report 2022
2-21	Annual total compensation ratio	Sulzer Annual Report 2022
2-22	Statement on sustainable development strategy	“Letter from the Executive Chair” in this report

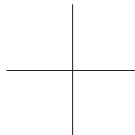


2-23	Policy commitments	“Code of Business Conduct”, “Sustainable Sulzer” and “human rights” directives on our website. The precautionary principle is not covered. The directives are signed off by the CEO. The core Sustainability playbook documents (Sulzer’s sustainability management system) are signed off by the CEO. See directives for their respective scopes. The core sustainability documents are published on our website and referenced in this report. At Sulzer, all sustainability documents are posted on SulzerWorld, our intranet, which is accessible to all employees, and communication is carried out via our internal social network.
2-24	Embedding policy commitments	Directives available on our website, “Sustainable Sulzer” and “Management approach” sections. Training on implementing the commitments is not disclosed.
2-25	Processes to remediate negative impacts	Sustainable Sulzer, human rights, and ESG due diligence directives on our website. In 2022, Sulzer collaborated with a recognized NGO on the design of its human rights directive and included the recommendations made. The hotline is managed and operated by a reputable company whose processes include stakeholders. More information on the hotline and reporting scheme in the Sustainability report 2021, in the “Governance” chapter, and in the Annual Report 2022.
2-26	Mechanisms for seeking advice and raising concerns	Annual Report 2022, and Sustainability report 2021 “Governance chapter”
2-27	Compliance with laws and regulations	Sulzer Annual Report 2022
2-28	Membership associations	Sulzer Annual Report 2022
2-29	Approach to stakeholder engagement	“Material topics” section (Appendix) and Introduction to this report for the corporate level. At local level, practices differ depending on the stakeholders’ importance and are managed by the site leaders.
2-30	Collective bargaining agreements	Not disclosed

GRI standard

GRI 201: Economic Performance 2016

Disclosure	Location
201-1 Direct economic value generated and distributed	Not disclosed
201-2 Financial implications and other risks and opportunities due to climate change	Annual Report 2022, “Risk management”
201-3 Defined benefit plan obligations and other retirement plans	Not disclosed
201-4 Financial assistance received from government	Sulzer Annual Report 2022



GRI standard

GRI 3: Material Topics 2021

Disclosure		Location
3-1	Process to determine material topics	“Material topics” section, Introduction, and Appendix in this report.
3-2	List of material topics	“Material topics” section Introduction, and Appendix in this report.
3-3	Management of material topics	All sub-chapters of the four pillars of Sustainable Sulzer as described in this report and the management approach.

GRI standard

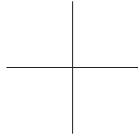
GRI 301: Materials 2016

Disclosure		Location
301-1	Materials used by weight or volume	Not disclosed
301-2	Recycled inputs materials used	Not disclosed
301-3	Reclaimed products and their packaging material	More details in the “Enable” chapter, “Circularity” section

GRI standard

GRI 302: Energy 2016

Disclosure		Location
302-1	Energy consumption within the organization	“Sulzer reports on total energy consumption, total fuel consumption and total electricity in GJ. See details in our sustainability data (Appendix). Heating consumption is not monitored as heating is provided either via burning fuels or district heating, with all energy consumption being reported under these categories. Cooling consumption is not reported as cooling originated from electricity consumption reported separately. Steam consumption is not reported as originating from fuel consumption reported separately. Not disclosed: electricity, heating, cooling, steam sold. At Sulzer we use our global ESH reporting tool to report environmental data, using the international unit system. Our processes are described in the Sulzer ESH playbook, our management system. For energy, we use the international unit system and refer to the standard conversion factors (i.e.: DEFRA or similar)

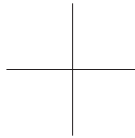


302-2	Energy consumption outside of the organization	Not reported. Sulzer seeks to report the energy consumption originating from its activities at customers' sites (when servicing and/or commissioning their installations). In such cases, utilities are part of the flat cost structure set by the customer and are not provided to Sulzer. Beyond this, Sulzer does not report on energy consumption outside of the organization.
302-3	Energy intensity	Sustainability data (Appendix). Sulzer discloses its energy intensity metrics against hours worked as it is a good indicator of our industrial activity. Sulzer includes all types of energy in its disclosure, from fossil fuels to all sources of electricity, heating, cooling, etc. Sulzer solely discloses energy consumption within its organization.
302-4	Reduction of energy consumption	Sulzer monitors changes in its energy consumption for various fuels. However, the granularity of such variations is not monitored as an indicator globally. See our sustainability data (Appendix) for details. Sulzer monitors changes in its energy consumption for various type of energy over at least the past five years, with the aim of having mid-term time series to allow analytics. Sulzer follows the GRI guidelines and processes described in its ESH playbook. Calculations are mainly made using our global reporting ESH tool.
302-5	Reductions in energy requirements of products and services	More details in the "Enable" chapter, "Energy efficiency" section

GRI standard

GRI 303: Water and Effluents 2018

Disclosure	Location
303-1 Interactions with water as a shared resource	"Management approach" in the "Minimize" chapter. The timeframe used ranges from today to beyond 2050 for water-stress location evolution and physical risks as part of the climate risk assessment. The identification of the Sulzer locations exposed to water stress is based on the WRI information, while the climate risk assessment will be TCFD-based. The objectives will be set at the local unit level following the implementation of the water management plan standard. This will support adapting the objectives with the local water specific challenges.
303-2 Management of water discharge-related impacts	Not disclosed
303-3 Water withdrawal	Sustainability data in this report (Appendix), "Minimize" chapter, "Water" section. For water-stressed locations, Sulzer does not disclose this information for 2022 but plans to build the relevant information system in 2023. Sulzer sources its water mainly from municipal water networks that are identified as providing fresh water. "Other water" at Sulzer originates from surface water withdrawals.
303-4 Water discharge	Sustainability data in this report (Appendix), "Minimize" chapter, "Water" section. Sulzer does not disclose water discharge-related impacts. For water-stressed locations, Sulzer does not disclose this information for 2022 but plans to build the relevant information system in 2023. Sulzer sources its water mainly from municipal water networks that are identified as providing fresh water. "Other water" at Sulzer originates from surface water withdrawals.



303-5	Water consumption	Sustainability data in this report (Appendix), “Minimize” chapter, “Water” section. For water-stressed locations, Sulzer does not disclose this information for 2022 but plans to build the relevant information system in 2023. Sulzer does not disclose changes in water storage.
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GRI standard

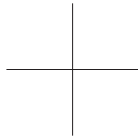
GRI 304: Biodiversity 2016

Disclosure	Location
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected area	“Minimize” chapter, “Biodiversity” section of this report. Sulzer does not disclose sizes of operational sites.
304-2 Significant impacts of activities, products and services on biodiversity	“Minimize” chapter, “Management approach” and “Biodiversity” sections of this report.
304-3 Habitats protected or restored	Not disclosed. For standards, methodologies and assumptions see the “Minimize” chapter, “Biodiversity” section of this report.
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	“Minimize” chapter, “Management approach” and “Biodiversity” sections of this report.

GRI standard

GRI 305: Emissions 2016

Disclosure	Location
305-1 Direct (Scope 1) GHG emissions	Sulzer reports its carbon footprint according to the Greenhouse Gas Protocol, including all greenhouse gases, disclosing its scope 1, scope 2, and scope 3, category 3 and 6 emissions. Given our industrial activities, the biogenic emissions (originating from the combustion or biodegradation of biomass) is not reported. Sulzer’s base year is made of the average of the years 2017, 2018, and 2019, which is the average of pre-Covid years. Our figures have been re-baselined to match the calendar year, opposed to the October to September reporting period as disclosed in previous reports. Sulzer’s scope was significantly changed in late 2021 due to the creation of medmix, the company created from its former APS division. This led to a full recalculation of Sulzer’s corporate carbon footprint, given the materiality of this change in scope. We use the operational approach for the consolidation and emission factors from various highly regarded sources. See our Sustainability data (Appendix) for the aggregated numbers and our corporate carbon footprint report for details.

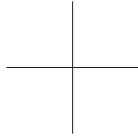


305-2	Energy indirect (Scope 2) GHG emissions	Sulzer reports its carbon footprint according to the Greenhouse Gas Protocol. See Sustainability data (Appendix) and our corporate carbon footprint report for details.
305-3	Other indirect (Scope 3) GHG emissions	Sulzer reports its carbon footprint according to the Greenhouse Gas Protocol, categories 3 and 6 for scope 3. It includes all greenhouse gases, excludes biogenic emissions and has the average of the years 2017, 2018, and 2019 as a base year. See Sustainability data (Appendix) and our corporate carbon footprint report for details.
305-4	GHG emissions intensity	Sulzer reports its carbon footprint according to the Greenhouse Gas Protocol. Sulzer's carbon intensity is calculated based on the disclosed scopes and using hours worked as a relevant indicator of its industrial activity. See Sustainability data (Appendix) and our corporate carbon footprint report for details.
305-5	Reduction of GHG emissions	Sulzer reports its carbon footprint according to the Greenhouse Gas Protocol, categories 3 and 6 for scope 3. It includes all greenhouse gases, excludes biogenic emissions and has the average of the years 2017, 2018, and 2019 as a base year. See Sustainability data (Appendix) and our corporate carbon footprint report for details.
305-6	Emissions of ozone-depleting substances (ODS)	Sulzer does not disclose information on ODS.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not disclosed

GRI standard

GRI 306: Waste 2020

Disclosure	Location	
306-1	Waste generation and significant waste-related impacts	"Management approach" section, "Minimize" chapter.
306-2	Management of significant waste-related impacts	As Sulzer does not treat waste in its own operations, it relies on waste vendors for their treatment. Collaboration is key to creating a circular economy. "Waste" and "Lessons learnt" sections in the "Minimize" chapter of this report.
306-3	Waste generated	Sustainability data (Appendix), "Management approach" section of the "Minimize" chapter chapter of this report.
306-4	Waste diverted from disposal	Sustainability data (Appendix), "Management approach", section "Minimize" chapter and information regarding Sulzer's global ESH information management system in this report.
306-5	Waste directed to disposal	Sustainability data (Appendix), "Management approach" section "Minimize" and information regarding Sulzer's global ESH information management system in this report.



GRI standard

GRI 401: Employment 2016

Disclosure	Location
401-1 New employee hires and employee turnover	"GRI Disclosure 401 Employment" (Appendix)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	"GRI Disclosure 401 Employment" (Appendix)
401-3 Parental leave	"GRI Disclosure 401 Employment" (Appendix)

GRI standard

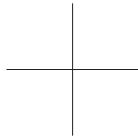
GRI 402: Labor/Management Relations 2016

Disclosure	Location
402-1 Minimum notice periods regarding operational changes	Yes

GRI standard

GRI 403: Occupational Health and Safety 2018

Disclosure	Location
403-1 Occupational health and safety management system	See Sustainability report 2022 for details, "Management approach" and "Protect" sections under pillar 3 "Engage".
403-2 Hazard identification, risk assessment, and incident investigation	See Sustainability report 2022 for details, "Management approach" and "Protect" sections under pillar 3 "Engage".
403-3 Occupational health services	In its top seven countries, Sulzer provides the following services: check-ups, first aid and medics, exposure monitoring, advice, training and education. All services are made available to employees. Outcomes are statistics that are used to inform the H&S risk management process.
403-4 Worker participation, consultation, and communication on occupational health and safety	In its top seven countries, Sulzer provides the following services: formal H&S committees, employee engagement in risk assessment design, training, safety walks & observations, incident reporting & investigations, internal audits, etc. For communication at Sulzer: ESH boards, ESH intranet, management's tours, Kaizen boxes, ESH campaigns. Where these exist, H&S committee meetings are held on a monthly or quarterly basis. Consultation is about H&S matters (PPE, risk assessment, accident investigation, safety programs, etc.). Members are employee representatives.

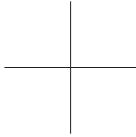


403-5	Worker training on occupational health and safety	H&S training offering at Sulzer: ESH induction, ESH onboarding training at workplaces, workplace-specific hazard training (EEx, forklift, fire, first aid, etc.), high-risk activity training (e.g., confined spaces, lifting, hazardous chemicals, etc.)
403-6	Promotion of worker health	Practices in our top seven countries, promotion of workers' health at Sulzer: psychological support (external hotline), medical cash plans, annual flu vaccination, as per legal entity regulations. In addition: Employee Assistance Program (EAP), Sulzer in Motion, smoking cessation & stress management support, cancer and respiratory disease prevention campaigns & consultations. All are accessible by employees in legal entities where they are offered.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	For downstream value chain: ESH plans, including project-related ESH risk assessment, contractual ESH clauses. For upstream value chain: contractors' ESH qualification process, contractor management.
403-8	Workers covered by an occupational health and safety management system	All our employees in the legal entities are covered by the Group ESH management system.
403-9	Work-related injuries	See "Sustainability data" (Appendix).
403-10	Work-related ill health	Not disclosed

GRI standard

GRI 404: Training and Education 2016

Disclosure	Location	
404-1	Average hours of training per year per employee	Practices in our top seven countries: total hours of training: 84'844, rates (hrs/employee – numbers are rounded): women: 10; men: 11; blue-collar: 12; white-collar: 13.
404-2	Programs for upgrading employee skills and transition assistance programs	Practices in our top seven countries: on-the-job training, paid continuing education programs, technical & management/leadership skills, global offering; Sulzer global education & development programs; practices in our top seven countries: career transition programs, outplacements.
404-3	Percentage of employees receiving regular performance and career development reviews	Women: 93%; men: 97%



GRI standard

GRI 405: Diversity and Equal Opportunity 2016

Disclosure	Location
405-1 Diversity of governance bodies and employees	16% women, 84% men. Under 36: 29%, 36-55: 55%, 56 or over: 16%.

GRI standard

GRI 406: Non-discrimination 2016

Disclosure	Location
406-1 Incidents of discrimination and corrective actions taken	Total in our top seven countries: five cases. One open – others have been investigated and closed

GRI standard

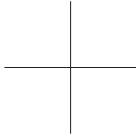
GRI 407: Freedom of Association and Collective Bargaining 2016

Disclosure	Location
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not disclosed

GRI standard

GRI 408: Child Labor 2016

Disclosure	Location
408-1 Operations and suppliers at significant risk for incidents of child labor	Not disclosed



GRI standard

GRI 409: Forced or Compulsory Labor 2016

Disclosure		Location
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not disclosed

GRI standard

GRI 410: Security Practices 2016

Disclosure		Location
410-1	Security personnel trained in human rights policies or procedures	Practices in our top seven countries: 75%

GRI standard

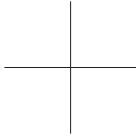
GRI 411: Rights of Indigenous Peoples 2016

Disclosure		Location
411-1	Incidents of violations involving rights of indigenous peoples	Total in our top seven countries: 0

GRI standard

GRI 413: Local Communities 2016

Disclosure		Location
413-1	Operations with local community engagement, impact assessments and development programs	n/a – Sulzer has been in the communities in which it operates for years.
413-2	Operations with significant actual and potential negative impacts on local communities	Sulzer's long-term operations generate standard environmental impacts (water, waste, air pollutants, energy & raw material consumption), none of which are listed as being significant.



GRI standard

GRI 415: Public Policy 2016

Disclosure

Location

415-1 Political contributions

Total in our top seven countries: CHF 0

GRI Disclosure 2-7 Employees

	EMEA				APAC				AME				Total			
	m	f	%m	%f	m	f	%m	%f	m	f	%m	%f	m	f	%m	%f
Permanent employees	4'530	993	82%	18%	3'221	550	85%	15%	2'684	490	85%	15%	10'437	2'032	84%	16%
Temporary employees	65	15	81%	19%	71	1	99%	1%	224	23	91%	9%	359	39	90%	10%
Full-time employees	4'525	878	84%	16%	3'288	548	86%	14%	2'862	507	85%	15%	10'675	1'933	85%	15%
Part-time employees	71	129	36%	64%	4	3	56%	44%	46	6	88%	12%	121	138	47%	53%
Total by regions	4'596	1'007	82%	18%	3'292	551	86%	14%	2'908	513	85%	15%	10'796	2'071	84%	16%
Full total	5'603				3'843				3'421				12'868			

No significant portion of the organization's activities is performed by workers who are not employees or who are employees without guaranteed hours. All disclosures are listed in full-time equivalents (FTEs), as at the end of the reporting period.

GRI Disclosure 401 Employment 2016

401-1 New employee hires and employee turnover

Hires during the reporting period

	New hires	Total hires	Hiring rate
35 or under	1'650	3'425	48%
36-55	1'465	3'425	43%
Over 55	310	3'425	9%
Women	408	3'425	12%
Men	3'017	3'425	88%
EMEA	807	3'425	24%
AME	2'098	3'425	61%
APAC	520	3'425	15%

Turnover during the reporting period

	Total	Turn-over rate
35 or under	1'078	36%
36-55	1'386	47%
Over 55	491	17%
Women	359	12%
Men	2'596	88%
EMEA	1'094	37%
AME	1'365	46%
APAC	496	17%

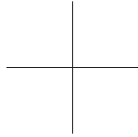
401-2¹⁾

Benefits which are standard for full-time employees²⁾

	Coverage in top seven countries
Life insurance	83%
Health care	83%
Disability and invalidity coverage	67%
Parental leave	100%
Retirement provision	100%
Stock ownership	0%
Others ¹⁾	83%

1) Results for our top 7 countries.

2) Other benefits range from employee assistance programs to discounted services, sick pay or annual leave that is more generous than the statutory requirement, long-term time saving accounts etc.



401-3¹⁾

Parental leave

	Total FTE	Women	Men
Entitled to parental leave	6'880	981	5'899
Took parental leave	244	56	188
Returned to work in the reporting period after parental leave ended	231	45	186
Returned to work after parental leave ended and were still employed 12 months after their return to work	228	48	180
Return to work	193	40	153
Retention	228	48	180
Return to work rates	95%	80%	99%
Retention rates	93%	86%	96%

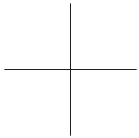
¹⁾ Results for our top 7 countries.

Sulzer sustainability data 2022

Supplement to the Sulzer Annual Report 2022 and the Sulzer Sustainability Report 2022

		2017	2018	2019	2020	2021	2022
Social ¹⁾							
Labor relations							
Number of employees							
Number of employees Sulzer Ltd, according to IFRS; i.e., Sulzer total	FTE	11'518	12'175	12'905	13'390	13'816	12'868
Type of employment: temporary (on payroll)							
Employees with temporary contracts (on average)	FTE	165	175	185	169	178	397
Type of employment: part-time (on payroll)							
Employees working part-time (on average)	FTE	218	188	188	242	262	258
Employees with higher education							
Number of employees with higher education (minimum BA)	FTE	3'133	3'304	3'353	3'277	3'870	3'560
Employee training							
Behavior-based safety observations (including safety walks)	cases	33'621	42'038	48'351	42'625	40'767	50'808
Voluntary attrition rate							
Total voluntary attrition rate	% (FTE)	9.0%	7.4%	6.7%	6.2%	7.4%	7.9%
Diversity							
Geographical breakdown							
Europe, Middle East, Africa	FTE	4'833	5'108	5'415	5'618	5'796	5'603
Americas	FTE	3'506	3'706	3'928	4'076	4'205	3'421
Asia-Pacific	FTE	3'180	3'361	3'563	3'697	3'814	3'843
Geographical breakdown of female employees							
Europe, Middle East, Africa	% (FTE)	50%	49%	48%	49%	49%	49%
Americas	% (FTE)	26%	27%	26%	26%	25%	25%
Asia-Pacific	% (FTE)	24%	24%	26%	25%	26%	27%

¹⁾ See also Sulzer Sustainability report 2022, GRI 102-8 Information on employees and other workers in the GRI table.



		2017	2018	2019	2020	2021	2022
Age spread							
FTE aged < 20	% (FTE)	1%	1%	1%	0%	0%	0%
FTE aged 20-29	% (FTE)	16%	16%	14%	12%	11%	11%
FTE aged 30-39	% (FTE)	31%	32%	31%	33%	32%	32%
FTE aged 40-49	% (FTE)	25%	24%	27%	25%	27%	27%
FTE aged 50-59	% (FTE)	20%	20%	20%	21%	21%	21%
FTE aged > 60	% (FTE)	6%	7%	8%	9%	9%	9%

Occupational health and safety

Occupational accidents

Number of cases of occupational accidents (with > 1 lost day)	cases	57	59	32	47	33	26
Lost days due to occupational accidents and illnesses	days	1'417	2'162	1'295	1'207	812	875

Occupational fatalities

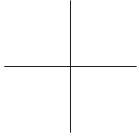
Total number of cases	cases	0	0	0	0	0	0
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Accident frequency rate (AFR)

Accident frequency rate (AFR); number of cases with lost time of more than 1 day, per million working hours	#	2.19	2.24	1.12	1.42	1.23	0.94
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Accident severity rate (ASR)

Accident severity rate; total number of lost days per million working hours	#	54.4	82.1	45.3	36.5	30.3	32.2
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2017 **2018** **2019** **2020** **2021** **2022**

Environment²

Energy

Energy consumption

Total energy consumed	GJ	623'974	652'283	684'150	671'575	632'805	581'342
of which electricity	GJ	349'488	356'708	365'834	332'348	295'799	332'284
of which gas	GJ	154'888	169'538	161'123	148'225	150'325	138'474
of which fuels	GJ	85'229	96'540	114'249	94'848	80'365	72'932
of which fuel oils, coal, coke	GJ	7'062	6'541	15'642	32'457	9'130	5'037
of which district heating	GJ	27'307	22'956	20'989	21'628	27'794	32'616
of which cooling energy	GJ	n/a	n/a	n/a	n/a	n/a	n/a
of which wood and other renewable sources	GJ	x	x	6'313	42'069	69'394	213'232

Energy intensity

GJ of energy consumed per 1'000 working hours	GJ	90.1	89.7	86.6	66.5	51.5	45.4
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Emissions

Greenhouse gases according to GHG Protocol

Baseline year: average for 2017 to 2019

Total GHG emissions	tCO ₂ e	103'827	83'793	82'562	72'730
GHG emissions for scope 1	CO ₂ e ³⁾	21'394	17'432	16'448	17'055
GHG emissions for scope 2	CO ₂ e ⁴⁾	59'866	48'142	49'477	41'437
GHG emissions for scope 3	CO ₂ e ⁵⁾	22'567	18'219	16'636	14'238

GHG/carbon intensity

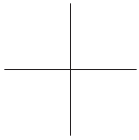
GHG emissions emitted per 1'000 working hours	CO ₂ e	5.5	3.6	4.2	3.6
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²⁾ For presentation purposes, figures are rounded to the nearest unit. The sum of each might not exactly match the totals.

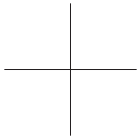
³⁾ Scope 1: direct emissions from Sulzer stemming from primary energy sources such as natural gas and fuels used on site.

⁴⁾ Scope 2: indirect emissions from secondary (converted) energy sources such as electricity and district heating.

⁵⁾ Scope 3 for years 2017 to 2019: indirect emissions from the production and transport of fuels and gases not included in scopes 1 or 2; scope 3 for 2020 onwards: same definition plus business travel (flights and rental cars).



		2017	2018	2019	2020	2021	2022
Water							
Water withdrawal							
Total water withdrawn	m ³	373'708	363'130	407'198	458'377	468'252	439'580
Water withdrawal by usage	m ³	373'708	363'130	407'198	458'377	468'252	439'580
non Industrial water	m ³	193'724	223'261	246'890	227'582	238'194	259'432
process water	m ³	128'143	94'678	86'817	132'685	134'191	147'639
cooling water	m ³	18'601	23'551	6'503	27'499	34'516	31'749
other usage	m ³	33'240	21'640	66'988	70'611	61'351	759
Water withdrawal by source	m ³	373'708	363'130	407'198	458'377	468'252	439'580
municipal water	m ³	334'856	336'035	371'877	414'448	431'578	414'656
ground-water	m ³	31'710	20'810	23'896	20'540	20'568	18'733
surface water	m ³	5'580	1'505	7'491	21'177	14'833	3'937
ocean water	m ³	0	0	0	0	0	0
other sources	m ³	1'562	4'780	3'934	2'212	1'273	2'254
Water Intensity							
Water consumed per 1'000 working hours	m ³	24.3	22.7	23.5	21.8	26.2	25.9
Water discharge							
Total water discharged	m ³	332'649	283'970	333'583	417'005	398'258	259'054
whereof to waste water treatment plant (WWTP)	m ³	241'001	230'816	274'248	346'281	343'531	214'649
whereof to ground water	m ³	14'580	1'578	4'055	13'849	16'669	29'824
whereof to ocean water	m ³	40'729	10'547	7'491	21'315	12'371	0
whereof to surface water	m ³	9'526	10'146	17'668	11'650	6'637	14'378
whereof to air and other water bodies	m ³	26'813	30'883	30'121	23'910	19'049	203
Water consumption							
Total water consumed	m ³	41'059	79'160	73'615	41'372	69'994	180'526



		2017	2018	2019	2020	2021	2022
Waste and recycling							
Total waste		16'551	16'892	18'146	16'310	17'038	18'260
to landfill	t	4'194	5'549	4'590	4'625	3'321	3'698
to incineration	t	475	623	888	963	1'436	1'702
to recycling	t	8'896	8'954	11'217	9'336	11'002	12'236
to reuse	t	x	x	x	x	24	199
other treatment	t	2'986	1'766	1'451	1'386	1'257	408
Non-hazardous waste	t	12'632	13'845	15'383	13'667	14'301	15'432
to landfill	t	3'736	5'024	4'057	3'760	2'705	3'363
to incineration	t	362	503	780	831	1'285	1'408
to recycling	t	7'865	7'815	10'186	8'726	9'975	10'465
to reuse	t	0	0	0	0	20	143
other treatment	t	670	503	360	350	316	53
Hazardous waste	t	3'919	3'046	2'763	2'643	2'739	2'812
to landfill	t	458	525	533	865	616	335
to incineration	t	113	120	108	132	151	294
to recycling	t	1'031	1'139	1'031	610	1'028	1'772
to reuse	t	0	0	0	0	4	56
other treatment	t	2'317	1'262	1'091	1'036	940	355
Waste intensity							
Waste produced per 1'000 working hours	t	3.6	3.6	3.5	2.7	3.1	3.3
Biodiversity							
Land owned, leased, or aotherwise used by the company	m ²	1'674'767	1'778'250	1'895'834	1'953'544	1'929'152	1'692'496
of which impermeable land	m ²	1'122'135	1'174'006	1'227'797	1'290'714	1'107'857	1'057'810
Number of sites within protected areas	m ²	3	3	3	3	3	3
Number of sites adjacent to protected areas	within 500m radius	57	57	57	57	57	57



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