

# Sulzer Supply Chain Policy

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**This policy reflects Sulzer's commitment to ensure socially and environmentally responsible sourcing across its global supply chain. We recognize that sourcing materials and services on a worldwide basis has a broad impact and comes with responsibilities that span beyond our own operations. This policy therefore applies to all Sulzer businesses, Sulzer employees as well as Sulzer's external suppliers and its supply chains.**

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## **Our supply chain commitment**

In line with the commitment to ethical and sustainable business practices, Sulzer implements the 10 Principles of the United Nations (UN) Global Compact in its own operations as well as in its relations with suppliers and other third parties. Sulzer commits to comply with the laws and regulations and other global standards such as the UN Global Compact, UN Guiding Principles on Business and Human Rights, Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises for Responsible Business Conduct, and the International Labor Organization (ILO) declaration on fundamental principles and rights at work as applicable to its operations when sourcing or offering goods or services. In particular, Sulzer is committed to comply with the due diligence obligations under applicable laws, regulations and the above mentioned standards, when sourcing goods or services.

Sulzer expects its suppliers to do the same and requests them to adhere to this supply chain policy by including this supply chain policy in contracts and agreements with its suppliers.

## **Safety & Health**

Sulzer has an obligation to protect the safety and health of its employees and therefore:

- Ensures a safe working environment by promoting an active safety and health culture across the supply chain.
- Promotes reasonable working hours and provides sufficient rest and time off to avoid workplace injuries and ensure employee wellbeing.

## **Labor and Human Rights**

Sulzer respects internationally proclaimed human rights and therefore:

- Rejects the use of child labor, forced labor, and any form of slavery without exception by ensuring legal working conditions of all workers.
- Does not tolerate discrimination in the workplace and respects the personal dignity, privacy, and rights of each individual.
- Prohibits any behavior that is coercive, sexual, threatening, abusive, or exploitative.
- Provides fair and favorable working conditions by supporting freedom of association and fair wages for both employees and contractors.

- Respects the right to tenure of communities and therefore rejects any form of land grabbing by ensuring that operations take place on land that is legally and rightfully owned.

### **Ethics and Business Integrity**

Sulzer does not tolerate any form of corruption, including extortion and bribery.

### **Conflict Minerals**

Sulzer will periodically evaluate its exposure to sourcing or processing of “conflict minerals” (Tin, Tungsten, Tantalum, Gold). When applicable, Sulzer supports the ethical sourcing of minerals and metals, promotes supply chain transparency and integrity and therefore:

- Follows the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas based on its position in the supply chain.
- Refuses to facilitate war crimes or other violations of international humanitarian law, crimes against humanity or genocide.
- Refuses to facilitate the direct or indirect support of public or private security forces with the extraction, transport, or trade of minerals and other armed groups that illegally control mine sites and transportation routes.

### **Environment**

Sulzer commits to acting responsibly regarding the environment and therefore:

- Takes precautionary measures to prevent environmental pollution and reacts quickly when hazardous substances and waste (Basel Convention) or persistent organic pollutants (Stockholm Convention) could harm the environment and consequently pose a risk to public health.
- Respects the European Union’s (EU) REACH directive with regards to hazardous chemicals (including mercury as per the Minamata Convention).
- Controls, measures, and documents the environmental impact of operations, including the advancement of supply chain transparency regarding the carbon footprint.

### **Risk Management**

With the objective of identifying and preventing adverse impacts, Sulzer has an enterprise risk management system in place, that deals with risks on a regular basis and when the need arises.

Sulzer continuously identifies, manages, eliminates and mitigates risks by:

- Identifying areas with the highest probability of occurrence as well as the highest severity of adverse impacts.
- Reviewing its operations and those of its suppliers with assistance of risk indices, publicly available information (e.g., reports from public authorities, civil society, specialist literature), expert consultations, and recognized certification schemes and standards, or on-site checks.
- Following-up on indications of breaches.

- Risk mitigation can occur while continuing business relationships, during a temporary suspension, or as a last resort result in the termination of business relationship depending on the level of risk and if all other mitigation measures have failed.
- Regularly monitoring practices to assess the effectiveness of risk mitigation measures by closely engaging with our suppliers (also via audits) and to consequently reduce the level of risks.

Sulzer is committed to continuous improvement of due diligence activities and to prevent human rights breaches in the supply chain. Policies, procedures and systems will be reviewed periodically to ensure they remain effective in addressing these issues.

### **Supply Chain Traceability System**

Sulzer keeps an up-to-date supply chain traceability system that enables us to identify and trace the origin and movement of our products and materials throughout the supply chain. This system helps ensure transparency, accountability, and compliance with our policies.

### **Grievance Mechanism**

In the spirit of full transparency, Sulzer offers employees and any other interested parties affected by the operations of our supply chain access to Sulzer's grievance mechanism. All concerns can be submitted anonymously and will be treated in a confidential manner.


[www.sulzercompliancehotline.com](http://www.sulzercompliancehotline.com)

### **Communication**

Sulzer communicates this supply chain policy to all employees, suppliers, business partners and to the public and provide training and resources to understand and implement it effectively. Changes to this supply chain policy will be communicated accordingly.

The Executive Committee of Sulzer AG has approved this statement on November 24, 2023.

Suzanne Thoma



Executive President  
For and on behalf of Sulzer AG