



Modern Slavery and Human Trafficking Statement For Financial Year Ending December 31, 2016

The scope of this statement covers all our operations worldwide, including those of our subsidiaries.

About Sulzer

Sulzer holds leading positions in its key industrial markets of oil and gas, power, water, and general industries, where its global operations fall within four divisions:

Pumps Equipment: leading global pump manufacturer with manufacturing footprint encompassing more than 20 sites, together with a network of sales offices.

Rotating Equipment Services: leading independent service provider for all types of rotating equipment including turbines, pumps, compressors, generators, and motors with a global network of service centers.

Chemtech: leading player in the fields of process technology and separation towers and two part mixing and dispensing systems.

Applicator Systems: mixing and application systems for adhesive, dental, and healthcare segments. Systems for cosmetics and beauty accessories.

More: [About Sulzer](#)

Our principles and policies

Sulzer is committed to the elimination of modern slavery and human trafficking from the supply chain. Sulzer's Global Procurement function directs our activities and our relationships with suppliers in accordance with many internal and external ethical guidelines. These guidelines and policies serve as a point of reference for upholding fundamental human rights as well as working conditions, occupational health and safety, business ethics, and environmental law. They include:

- [Sulzer's vision, strategic priorities, and values](#): The Sulzer vision and strategic priorities define our overall direction. The Sulzer values act as an inner compass, guiding all our activities. They define who we are and how we conduct ourselves.
- [Code of Business Conduct \(CoBC\)](#): This code explains the manner in which we behave as an organization and how we expect our employees and suppliers to act. It includes a commitment to comply with all employment and labor laws, including those related to the elimination of all forms of forced and compulsory labor (including child labor). We require all employees to sign the CoBC.
- Recruitment Policy: We operate a robust employment policy, including conducting eligibility to work in a particular location and checks for all employees and contractor provided personnel to safeguard against human trafficking or individuals being forced to work against their will.
- Whistleblowing Policy: We operate an independently provided whistleblowing procedure where all employees know and are made aware that they can raise concerns without fear of reprisals about the treatment of colleagues or of practices within our business or supply chain.
- [UN Global Compact](#): We are a long-standing signatory to the United Nations Global Compact and support its drive for human rights and social dimension of corporate responsibility.

Our supply chain

Over the last 24 months, we have globalized the management of our supply chain, which has facilitated the implementation of procedures across the whole business. These procedures include a Global Supplier Qualification Process (GSQP) for our potential and existing suppliers, GSQP allows the systematic identification, selection, auditing, verification, and development of global suppliers based on quality and sustainable supply chain practices and performance. Procurement carefully selects and evaluates suppliers' processes and products. This may include, particularly where a higher risk is identified, on-site visits and audit by internal sourcing personnel. In case of non-compliance, either the supplier will not be qualified or a corrective action plan will be implemented before the partnership is continued.

Sulzer Terms and Conditions for its suppliers state that any supplier is required to respect the Ten Principles of the United Nations Global Compact. These principles require suppliers to not use child or forced labor, respect internationally proclaimed human rights, not discriminate in respect of employment, act responsibly regarding the environment, and work against corruption in all forms, including extortion and bribery.

During the financial year of 2016, there were no reports or findings of the presence of modern slavery or human trafficking in our supply chain.

Training

We regularly conduct both intranet and classroom based compulsory training for our employees including our procurement teams so that they understand and implement all our principles and policies.

Continued improvement

We believe that during 2016, our current systems and procedures were robust in identifying any evidence of modern slavery or human trafficking within our organization, and that this risk is low. Nevertheless, we recognize the need to further improve and enhance our tools and procedures on this complex subject. This work is ongoing within our organization.

The Board of Directors of Sulzer AG has approved this statement for the financial year ending on December 31, 2016.



Greg Poux-Guillaume
Chief Executive Officer
For and on behalf of Sulzer AG

June 6, 2017