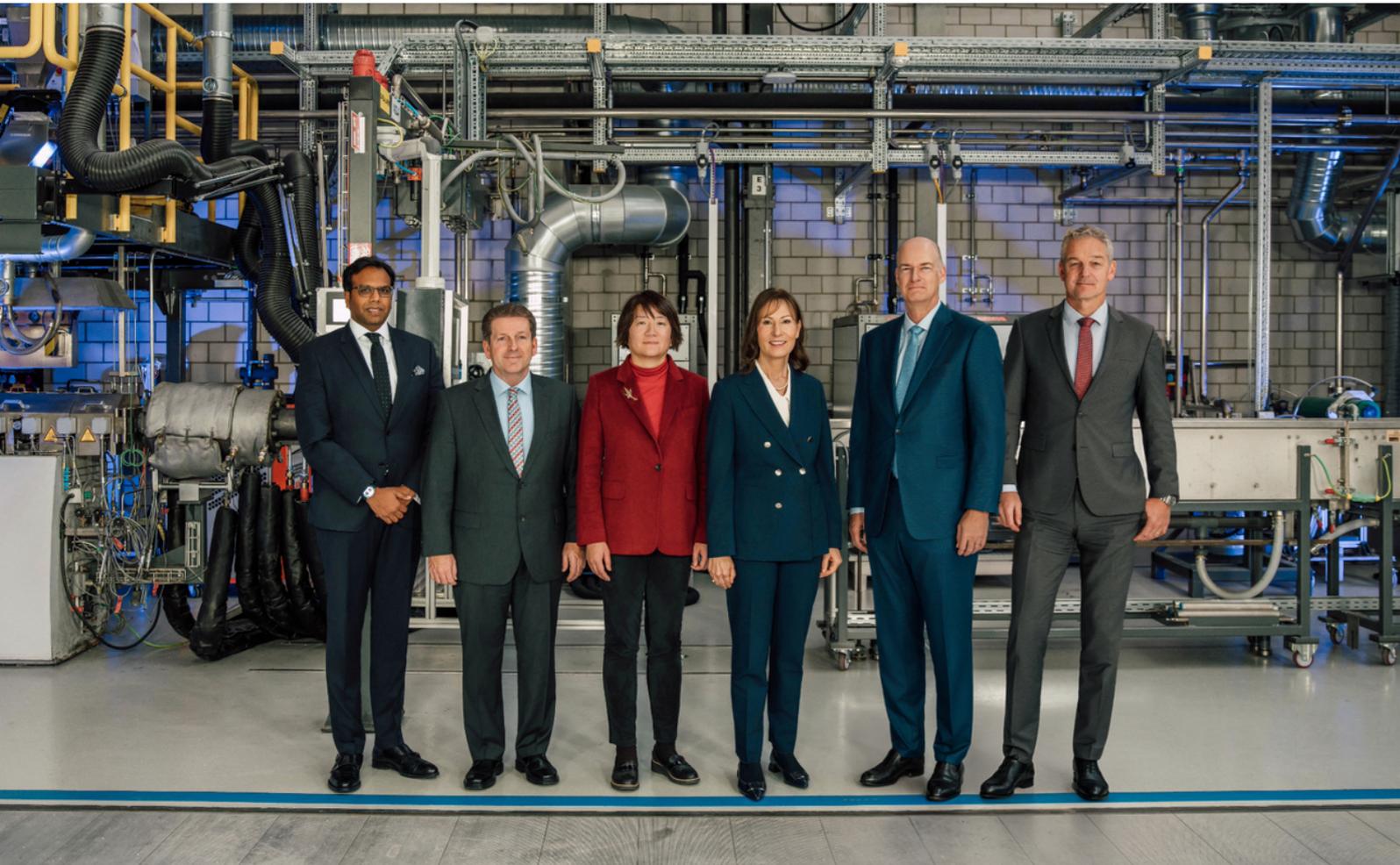


# **Non-Financial Report**

2025

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Sulzer's Executive Committee in the newly opened Innovation Technology Hub (InTech) in Switzerland. Starting from the left: Ravin Pillay-Ramsamy, Thomas Zickler, Haining Auperin, Suzanne Thoma, Tim Schulten and Mathias Prüssing.

## Letter to the stakeholders

### Dear stakeholders,

2025 has been an extraordinary year – in many ways. A wave of uncertainty has influenced the past year significantly, bringing new elements to trade dynamics. This situation is not settled yet and will bring further changes to decision makers, customers, and suppliers globally. But as we all know, changes always open the door for new opportunities and successes. Even under these circumstances, we reached our business goals: we met our guidance and our profitability is on track. At the same time, we have set the course for mid-term success with initiatives that will contribute to our growth, our excellence and our profitability.

Sulzer serves essential industries in structurally growing markets. This is the core of our business model. We deliver what these markets require to further develop: energy security and efficiency, clean water, more efficient and cleaner process industries. Always in the most effective way – in a way that reduces our customers' costs, emissions or waste. Our Services team for example performed a gas compressor rerate on a North Sea platform to minimize downtime. The rental solutions team supported the reconstruction of a local wastewater treatment plant in Denmark with a [temporary pumping and screening solution](#). Chemtech is supplying product and service solutions specific to carbon capture for the world-scale [Net Zero Teesside Power project](#). These examples represent the steady interest from customers in essential and thus growing markets for our products and services.

On our journey to a top industrial company, we strive for profitable growth and excellence along the value chain, and we leverage the potential of the entire company: “One Sulzer”. 2025 made visible how excellence helps our bottom line – we made considerable progress and will continue to do so. Sulzer is an attractive global company for ambitious professionals with successful track records and proven ability to move businesses forward. We attract and promote the best. Our global leadership team consists of 20 nationalities and 23.5% female leaders – up from 16.3% in 2023.



**“Our initiatives for excellence paid off: we are more efficient, as our ROCE and our profitability are clearly showing. This is the result of a team working together globally. I would like to thank our Sulzer team all over the world for their efforts and their openness to change.”**

**Suzanne Thoma**  
Executive Chair



We achieved strong growth by many smaller and mid-size project wins and the aftermarket business. For our Services customers, the trend for repair and maintenance was strong. Our water treatment solutions continued to be in high demand. Order intake growth was moderate after two years of double-digit growth. This was mainly due to the postponement of larger projects, which are for the most part still in the pipeline. Amid market uncertainties, our resilience and adaptability positioned us well for the future.

## Outlook for 2026

As we navigate this new reality, our “One Sulzer” approach helps shape our actions. As a partner for our customers, we offer a broader range of integrated solutions and add value to our customers’ portfolio. As one company, we learn how to effectively collaborate, reduce complexity, take care of our resources and redesign processes that fit our new needs for simplicity, scalability and speed. Looking ahead, we will continue improving our organization along our values and in line with our Sulzer Excellence initiatives.

Dear stakeholders, looking at 2025 makes me confident that even under challenging circumstances, we continuously improve and focus our business to achieve good results. Our initiatives for excellence paid off: we are more efficient, as our ROCE and our profitability are clearly showing. This is the result of a team working together globally. I would like to thank our Sulzer team all over the world for their efforts and their openness to change. My sincere thanks to our shareholders, who support us on our way to a top industrial company – an excellent company that is a great place to work for and creates value every day.

Yours sincerely,



Suzanne Thoma  
Executive Chair

## Squaring the circle

During the Apollo 13 mission,<sup>1</sup> as NASA engineers worked tirelessly to bring three astronauts safely back to Earth, they faced a challenge that seemed impossible: making a square fit into a circle. The lunar module's carbon dioxide filters were round, while those in the command module were square. With only the limited materials available on board, they had to devise a solution. After hours of intense problem-solving, they succeeded.



Today, we face a similar reality: we know resources are finite, and we must learn to use them more efficiently. But how do we achieve this while sustaining economic growth? In other words, how do we square the circle of efficiency in using resources while finding business opportunities? At Sulzer, we believe one solution to this challenge is circularity, implemented through our services allowing our clients to extend product and infrastructure lifecycles.

### **Circularity: An economic opportunity**

In those critical hours of Apollo 13, NASA engineers taught astronauts to repurpose available materials and give them a second life. A powerful example of circular thinking applied under pressure. Today, the same principle guides us as we are opening the door to business models where reusing and extending the lifecycle of products are cornerstones.

1) NASA. [Apollo XIII Diaries](#), Day 4, part 4: Building The CO2 Adapter. 2020

According to the United Nations Environment Programme (UNEP),<sup>2</sup> a business-to-business approach to circularity rests on two concepts: repurpose and recycle. This means finding new applications for existing products and adapting them to extend their useful life. Behind these goals lies more than resource efficiency; they unlock significant economic potential. According to McKinsey<sup>3</sup>, refurbishing machinery, restoring components, and reusing products across projects deliver tangible benefits: higher margins, improved supply chain resilience, and lower raw material costs.

## Products with more than one life

At Sulzer, we believe we can square the circle by giving products more than one life. For example, our rental solutions team is dedicated to achieving that purpose every day. Sulzer's rental offer covers everything from small-scale commodity rentals to the design, management, and execution of large, customized projects, including submersible drainage and sludge pumps, temporary bypass pumping systems, mobile groundwater-dewatering setups, and containerized aeration units. Once a project concludes, our team dismantles the solution, repairs all the equipment, and prepares it for future adaptation and reuse.

Rental solutions represents a practical way to square the circle. By reusing machinery and extending the life of our equipment across multiple projects, we reduce unnecessary resource consumption while creating tangible economic value. This approach not only minimizes costs for our customers and the company but also strengthens supply chain resilience and improves operational efficiency. Every piece of equipment that is repaired and redeployed avoids the need for new manufacturing, turning resource optimization into a business advantage.

## When business needs meet circularity

The renovation of the Horsens Wastewater Treatment Plant (WWTP) in Denmark is a good example of these principles. The facility needed to replace its outdated inlet equipment, and [Sulzer's Rental Solutions team kept operations running throughout the upgrade](#). Sulzer installed a custom pumping solution that allowed the plant to remain operational during installation. The customer gained a high-performance inlet system with improved capture rates, better control of screenings' dryness, and reduced maintenance requirements. Beyond these technical advantages, the customer also achieved a 30% cost reduction by relying on Sulzer as a single point of contact for both the rental solution and the upgrade.

In this way, the customer received a tailored, cost-effective solution that minimized administrative complexity, while Sulzer extended the useful life of its equipment across multiple projects. This approach prevents unnecessary resource consumption for machinery that would otherwise serve only a temporary purpose and delivers economic value through rental and reuse.

Just as NASA engineers found a way to make a square fit into a circle during Apollo 13, we believe Sulzer applies the same principles through Rental Solutions: reusing equipment, extending its life, and delivering tailored solutions that meet customer needs while optimizing resources. In doing so, we square the circle, combining efficiency, economic value, and responsible resource use in a way that benefits both our clients and our business.

2) UNEP, [Understanding circularity](#) - UNEP circularity platform

3) McKinsey, Insights, [Remanufacturing 101 Reviving parts](#), reclaiming value, March 2025

## Powering essential connections

At Sulzer, we serve essential markets around the world. Just as our customers' industrial networks deliver critical elements like water or energy to society, Sulzer channels the impact of our social and safety initiatives exactly where it's needed most. Each initiative is a connection line that adds unique value to the operation of a top global industrial company like ours; from the collective drive of our teams, to opening opportunities for those who need them most, ensuring the safety of our people. Many of these initiatives extend across several years of dedicated effort. Because Sulzer's commitment goes beyond isolated actions, resting on a foundation of lasting engagement and continuous improvement.



### A collective impulse

In any industrial network, every activity starts with an initial surge of energy that sets everything in motion. At Sulzer, that impulse comes from our people. Sulzer in Motion is our long-standing global initiative that encourages all employees to channel their energy into positive action. In 2025, as part of this ongoing program, we introduced a sports initiative, inviting everyone to participate in activities like walking, running, cycling, golfing, or playing basketball. Every kilometer covered and every individual effort was transformed into real support for those who need it most.

For each participant, Sulzer donated CHF 20 to charitable causes, reaching a total of CHF 146,060, which the company doubled to **CHF 300,000**. Most importantly, it was our employees themselves who chose where this support would go, selecting two **UNICEF** programs with direct impact in vulnerable communities in India and Brazil.

This way, Sulzer's collective energy was channeled precisely and efficiently, like an industrial network delivering resources where they are needed most, connecting our employees with communities around the world and generating tangible, measurable impact.

## Pumping the talent

In every efficient industrial network, pumps regulate the flow to ensure resources reach where they're most needed. At Sulzer, we apply the same principle to talent development. The Sulzer Scholarship for **Women in Science and Engineering (WISE)** was created not only to widen access where barriers have existed, but to ensure that promising female talent receives the opportunities, support, and exposure needed to grow and leverage their skills. By intentionally directing resources toward individuals with high potential, the program reinforces our goal of strengthening and continuously improving the performance of our entire network.

Managed locally by Sulzer's HR teams, the program combines university scholarships, internships, and development opportunities. Acting as a strategic valve within our industrial network, WISE ensures that opportunity flows with intention and precision, reaching talented individuals whose potential aligns with Sulzer's commitment to engineering excellence. In doing so, it helps us cultivate, feed the potential, and harvest the talent that enables our network to grow stronger, evolve, and continuously improve.

An inspiring example is Clara Marques. In 2021, Clara faced the challenge of continuing her Production Engineering studies in Brazil, without the necessary financial resources. After pausing her education twice at public institutions, she was determined not to give up. The call from Sulzer's HR team, offering her the WISE scholarship, came at a crucial moment. Thanks to this support, Clara was able to resume her studies, participate in visits to the Jundiaí plant, and maintain close contact with the Sulzer team.

Clara's journey, from scholarship recipient to intern in Engineering Services, and ultimately to Junior Product Engineering Analyst at Sulzer, exemplifies how investing in women's potential generates measurable growth for both the individual and the organization. When we expand access to opportunity and nurture talent through sustained, multi-year development, we don't just maintain our industrial network; we enhance it. Clara's progression shows how, by cultivating and elevating female talent, Sulzer increases its collective capabilities, drives innovation, and builds a stronger, more competitive company for the future.

## Securing the network

In every industrial network, safety relies on control systems, sensors, and protocols that detect risks and protect operational integrity. At Sulzer, people’s safety is our top priority. Ensuring our employees return home healthy and safe is the foundation of everything we do.



During the Global Safety Week, our teams strengthened their safety knowledge to ensure the highest standards across every project. Making sure that all our workers return home safe.

During the [Global Safety Week](#) in November, we reinforced this preventive culture through local events, webinars, and internal communications focused on the importance of prevention and immediate action in any risk situation. The management shared key messages, and “safety walks” were held at our sites, encouraging active participation from all employees and reminding everyone that safety is a shared responsibility. Just as every instrument and alarm in an industrial network plays a vital role in preventing incidents, at Sulzer we encourage every person to act as an active sensor, identifying hazards, stopping work when necessary, and looking out for themselves and their colleagues.

The high engagement of our people during the Global Safety Week demonstrated that safety is not just a set of rules, but a value that runs through our entire network, ensuring the continuity and reliability of our operations.

## Recognizing excellence across our network

In an industrial network, true excellence comes from the people who drive progress and innovation every day. At Sulzer, we take pride in fostering an environment where our teams can thrive, grow, and contribute at their best. Being certified as a Top Employer in eleven countries, earning regional [Top Employer status in North America](#) for the first time and holding the [European Top Employer seal](#) demonstrates our commitment to people and HR excellence. This recognition is the result of a rigorous audit process and reflects our ongoing dedication to creating a workplace that sets the standard for excellence and continuous improvement.

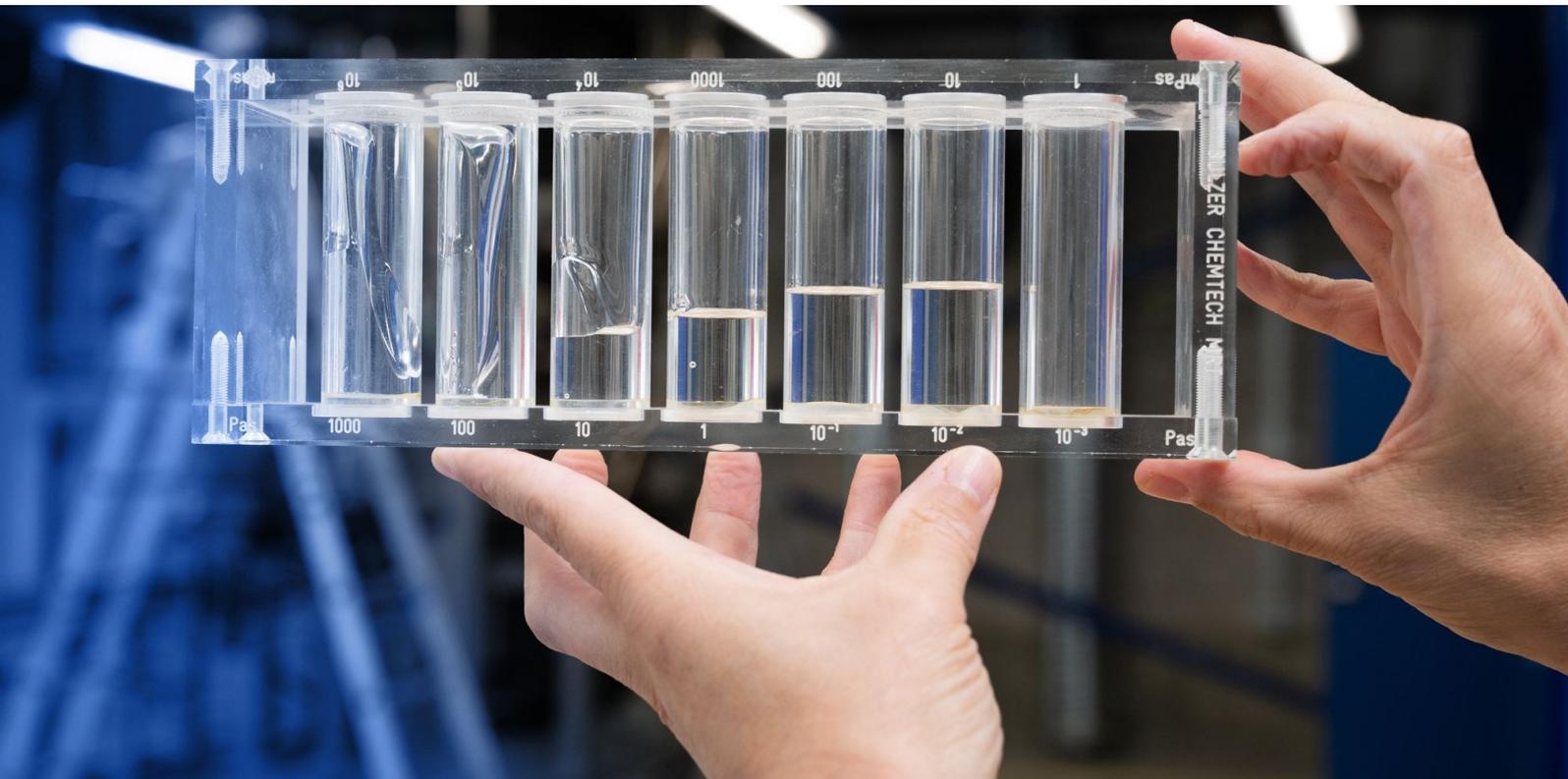
This recognition reflects the dedication and talent of our people and our continuous efforts to provide meaningful development and support. By investing in our teams and empowering every individual to reach their full potential, Sulzer stands out as a leader, not only in technology and industry, but in how we care for and inspire those who make our success possible.

As we look ahead, we remain focused on expanding this positive impact, ensuring that our workplace continues to be a benchmark for others and a source of pride for everyone at Sulzer.

At Sulzer, we understand that real impact is achieved when every part of the network works in a coordinated and efficient way. In 2025 and over the years, we have channeled the energy of our teams, opened new pathways for talent, reinforced safety, and validated our excellence with international certifications.

## An invisible wall

Not long ago, every settlement needed walls to defend against external threats. Invaders and all manners of dangers were kept away by physical barriers. Cities relied on walls, moats, or remote locations for protection. Many of these fortifications remain today as relics of another era, when security was tangible. Today, we still need walls to protect against external attacks, which occur daily. The difference is that the walls of the twenty-first century are invisible, and the threats come from the digital world as cyberattacks. In business, building a strong and impenetrable cybersecurity governance framework has become indispensable.



## A wall built by everyone

Today, even the best IT professionals and advanced cybersecurity systems cannot guarantee protection if the culture of security is not embedded in corporate governance. At Sulzer, we believe that building a strong security culture across the organization following a continuous improvement program is essential. We spoke with **Sven Schuetz, Group IT CISO at Sulzer**, to learn more about the security standards embedded in Sulzer's governance framework.

**Q: How would you define cybersecurity in Sulzer’s current context?**

A: Cybersecurity at Sulzer is a core pillar of operational resilience. We protect our digital and industrial systems, data, and processes to ensure business continuity, stakeholder trust, and responsible innovation.

In addition, we strive to embed best practices in our cyber resilience program to ensure long-term resilience and efficiency. For example, by leveraging our already highly consolidated and cloud-based security services, we minimize hardware usage and energy consumption.

**Q: Why is cybersecurity essential for Sulzer in terms of governance?**

A: From a governance perspective, cybersecurity is three-sided; clients, suppliers, and Sulzer are interlinked. First, we serve clients who demand standards in cybersecurity, and we must meet those expectations. In this context, complying with our clients’ security requirements directly impacts our cyber resilience program. In addition, those same standards shape how we manage our supplier relationships. The responsibility goes beyond our IT environment, as we also need to evaluate the entire supply chain. This is why maintaining the highest levels of cybersecurity is not just an operational concern, it’s a governance topic that affects the entire Sulzer organization, as cybersecurity goes beyond technology, and supports business growth.

**“Maintaining the highest levels of cybersecurity is not just an operational concern, it’s a governance topic that affects the entire Sulzer organization, as cybersecurity goes beyond technology, and supports business growth.”**

Sven Schuetz  
Group IT CISO at Sulzer



**Q. What principles guide our corporate cybersecurity strategy?**

A: Our strategy is guided by the National Institute of Standards and Technology (NIST) Cybersecurity Framework and follows a few core principles. These principles outline each employee’s responsibility for cybersecurity, emphasize the importance of training and awareness programs, and reaffirm the company’s commitment to protecting the confidentiality, integrity, and availability of information used by the organization. These principles are further developed within **Sulzer’s Cyber Resilience Program**.

**Q: What role do Sulzer employees play in protecting corporate information, and how does Sulzer ensure they are ready to face digital risks?**

A: Every employee is part of our defense, and we foster a culture of shared responsibility. We provide mandatory and ongoing training, regular awareness campaigns, phishing simulations, and clear policies, supported by security tools and continuous improvement of our cybersecurity resilience program. These tools enable us to automate a significant portion of our cybersecurity processes and proactively block many of the threats our employees face on a daily basis, with malicious emails being a prime example.

**Q: How does Sulzer's worldwide presence affect us in terms of cybersecurity?**

A: Our global operations require a unified framework with local adaptations to address varying regulations and regional threats, ensuring consistent protection and compliance. We work closely with internal teams to ensure the standards across the company. For example, this year, we are running factory assessments around the globe. This puts us in touch with local departments as the assessments are not just for IT.

**Q: How are leaders and executives involved in promoting good security practices?**

A: Leadership sets the tone from the top, sponsoring investments, embedding cyber risk into governance, and ensuring accountability through regular reporting and oversight.

In addition to that, we conduct training sessions to address cybersecurity crises together with our management. Cybersecurity has many facets, and we make sure that, for example, the leaders of the communications or the legal team know how to act within their respective areas during a cybersecurity crisis.

**Q: What trends or challenges do you expect to shape the future of cybersecurity?**

A: For the future, I expect cybersecurity to face more sophisticated and AI-driven attacks, stricter regulatory requirements, and increased convergence between Operational Technology (OT) and Information Technology (IT) systems. Cloud adoption and identity management will remain critical challenges, while resilience will become a priority over pure prevention.



# Sulzer Strategy

# 1

# Company profile

## About Sulzer

Sulzer, a global leader in critical applications for essential industrial infrastructure and processes, draws close to two centuries of expertise to develop cutting-edge technologies that drive economic prosperity and sustainable progress. Our innovative solutions play a pivotal role in reducing carbon emissions, advancing energy security and transition, and improving efficiency and performance through the value chain and process industries. We are committed to optimizing water systems and pioneering circularity in plastics, thereby boosting efficiency across numerous sectors.

Established in Winterthur, Switzerland, in 1834, Sulzer's operations are organized into three primary divisions: Flow, focusing on energy-efficient pumping, agitation and mixing solutions; Chemtech, dedicated to technologies for fluid separation, purification, crystallization and polymerization; and Services, which provides customized service solutions and expertise through a global team of professionals specialized in optimizing uptime, lifetime extension and performance. Our extensive network of 160 top-tier manufacturing and service centers worldwide underpins our commitment to innovation, performance and quality excellence.

Our workforce of approximately 13'526 employees collaborates to provide comprehensive life-cycle solutions. Sulzer's technology portfolio caters to sustainability-driven growth markets, including the maintenance and replacement of wastewater, clean water and desalination systems, as well as renewables in biopolymers, biofuels and biochemicals.

In 2025, Sulzer achieved a total sales volume of CHF 3'555.4 million, supported by operational excellence and book-to-bill ratio above 1. Our operations span three regions: Europe, the Middle East and Africa (EMEA); the Americas; and Asia-Pacific (APAC).

Aftermarket sales account for 50% of our revenue. Sulzer services an installed base of flow equipment and chemical processing and separation equipment for various industries, with three primary end markets: energy security and transition, natural resources and process industries.

For more detailed information about Sulzer Ltd:

- Major subsidiaries are listed in the Sulzer Annual Report 2025, Note 34 of the consolidated financial statements.
- Details on Sulzer's capital structure can be found in the chapter titled "Capital Structure" of the Sulzer Annual Report 2025.
- For information on shareholders with over 3% shareholdings or reductions below this threshold, refer to the [SIX Swiss Exchange's Disclosure Office website](#).

## Business performance

### *Robust sales and record profitability*

Sulzer grew sales, further implemented Sulzer Excellence, maintained pricing discipline, and continued to invest in strategic priorities that support long-term value creation. Order intake rose by 2.1% compared with 2024, reaching CHF 3'751.0 million. Sales increased by 5.6% year-on-year, reaching CHF 3'555.4 million in 2025.

Order intake growth in the Flow division amounted to 2.5%, with double digit growth in Water but flat development in Industry, more than offsetting deferred customer projects in the energy market. The Services division experienced continued solid growth in order intake recording a 10.8% increase across all regions and product lines, primarily in Turbo and Pumps Services. Chemtech's order intake declined by 12.5%, impacted by market uncertainty and reduced customer investment activity, partially offset by a solid Q4, 2025.

EBITDA increased to a new record level of CHF 556.2 million (2024: CHF 502.7 million), representing year-on-year growth of 18.0%. This resulted in an improvement of 140 basis points in the EBITDA margin to 15.6% (2024: 14.2%), supported by the systematic implementation of commercial and operational excellence.

Free cash flow amounted to CHF 212.5 million in 2025 (2024: CHF 234.9 million). The year-on-year decrease of CHF 22.4 million reflects lower cash flow from operating activities despite higher reported net income. Net cash from operating activities declined by CHF 20.9 million to CHF 303.0 million (2024: CHF 323.8 million), mainly due to higher net working capital requirements and higher income tax paid of CHF 8.9 million.

## Business results

### *Net income and core net income at record levels*

Net income increased to CHF 294.7 million (2024: CHF 265.4 million) reflecting the strong operational performance across the Group. Core net income, which excludes the tax-adjusted effects of non-operational items, rose to CHF 322.6 million (2024: CHF 307.2 million). Basic earnings per share grew by 12.3%, reaching CHF 8.68 in 2025 (2024: CHF 7.73).

### *Business status*

As the world population grows and the economies develop, there is a greater need for products, services and technologies in emerging industrial markets. In turn, this leads to greater demand for access to energy, more and cleaner water, and the production of important chemicals for industrial and consumer end markets. This increasing demand underscores the need to combine a prosperous future with a resilient and sustainable global society.

Sulzer is well-positioned to offer products, services and technologies to these essential markets. Our three divisions – Flow, Services and Chemtech – serve the same important growing markets that are ensuring the security and quality of critical goods and services, as well as the transition to a more sustainable future. Connected through large, global and many small and medium-sized customers, our divisions enhance their products, services and technologies, enabling efficiency improvements and circular economies. Sulzer is committed to becoming a top industrial company, creating ever more value for shareholders, customers, partners, employees and society, as an integral contributor to global prosperity and sustainability.

For Sulzer, precisely because our technologies support and enable sustainable development, these fundamental challenges represent significant growth opportunities. To ensure we can seize these opportunities, we continue to invest in research and development (R&D) throughout our global organization to drive technical innovation and maintain our market leadership.

### *Strategy review*

With our markets increasingly challenged to produce more with less, we adapted our strategy, Sulzer 2028, in 2023 to ensure that we continue to meet the needs of our global customers.

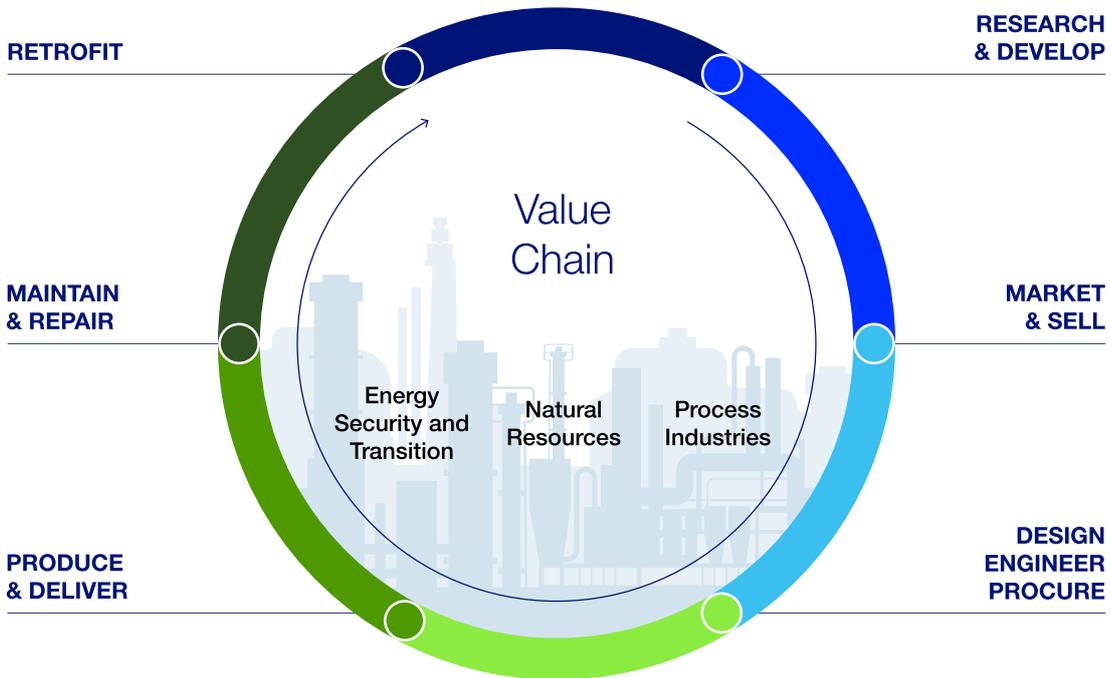
Sulzer 2028 is based on two main pillars. The first pillar focuses on **above-average organic growth** in structurally growing markets with a **high-quality, future-proof business** portfolio. The second pillar is **operational excellence** along the value chain.

Sulzer is well-positioned for global trends of increasing importance: Energy and water security, energy transition, natural resource management, cleaner and purer materials and chemicals, as well emerging circular technologies. We operate at the heart of these markets, which we believe are structurally growing. As a group, we enable their processes and service their critical infrastructure. Moreover, our technologies help build much-needed resilience to the external challenges they face. We are already strong in these markets, and we will continue to grow organically and expand our offering to ensure we continue to meet the needs of these structurally growing markets.

A key pillar of Sulzer strategy is operational excellence, which requires effectiveness and efficiency in all aspects of our business processes to ultimately fund investment, innovation and future growth. Operational excellence is the basis of how we manage our resources and shape our corporate culture and helps support our business leaders make the right decisions. It is also about quality, which shapes our customer relationships and ultimately drives our innovation.

These endeavors form the foundation on which we build our evolving strategy. Here we look at the fundamental value drivers across the business, our respective market positions and the ongoing development of our business portfolio to ensure we continue to grow profitably.

Business model



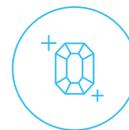
**What drives our markets**

- Security of supply
- Secure affordable energy
- Reduce emissions and pollution
- Sustainable resource usage
- Future of water supply
- Emerging market industrialisation
- Technology and innovation
- Technological acceleration



**What we build on**

- Sulzer brand
- Employees and culture
- Partnership engagement
- Supply chain and operations
- Technology and innovation
- Financial resources



**Who we create value for**

- Customers
- (Channel) Partners
- Employees
- Shareholders
- Stakeholders / Society

# Risk management

Sulzer's overall risk management process, an essential part of our **due diligence** approach, is fundamental to both strategic and operational management. It is designed to be iterative, encompassing all relevant potential risks and integrated into every decision-making process. Employees across all levels bear responsibility for managing risks within their areas of expertise. The risk management process of Sulzer focuses on external and market risks, strategic risks, operational risks, compliance and financial risks to develop and update risk profiles across business units and group functions, considering both potential losses and gains. Major trends in the risk environment are monitored for early warning signs.

The structure of Sulzer's risk management ensures systematic and comprehensive identification and analysis of risks. The risks are assessed in an enterprise risk management process plan and prioritized based on their probability and potential impact, including an assessment of the correlation between different risk scenarios.

Sulzer actively addresses identified risks to attain the targeted level of risk reduction, while also prioritizing the treatment of risks and the pursuit of opportunities based on their priority level. This prioritization is key to optimizing the cost-effectiveness of risk treatment methods. The management has the duty to deploy strategies that either prevent, lessen or provide protective measures against these risks. Any risks that remain unmitigated despite these efforts are recognized as inherent business risks.

Risks that have a minor impact are handled by Sulzer's operational management. In contrast, risks with a medium or significant impact fall under the purview of Sulzer's Executive Committee. Members of the Executive Committee are responsible for deciding and executing the necessary risk mitigation measures within their respective areas of authority, ensuring these measures are both effective and current. The efficacy of measures taken is routinely evaluated through internal assessments, aligning with Sulzer's strategic approach to risk management and opportunity development. The 2025 Corporate Governance Report offers a detailed overview of Sulzer's general risk management system, including the integration of ESG factors. It provides insights into Sulzer's risk management strategies and the effectiveness of our compliance structures.

Key principles of Sulzer's risk management include safety, acceptance of risks, adherence to legal obligations, assessment of risk severity against probability, and the balancing of risks against potential rewards. Limiting liability for consequential damages is also a focus. The process involves risk assessment (identification, analysis, evaluation/prioritization), loss control (avoidance, prevention, mitigation strategies) and risk financing or transfer (insurance, hedging). It includes monitoring and correcting shortcomings, as well as evaluating the effectiveness of risk treatment methods. The Sulzer Group's audit processes provide further reassurance that the defined risk management processes and the risk mitigation actions that are decided upon are implemented effectively.

Environment, Social and Governance (ESG) factors, central to Sulzer's **due diligence process**, are integrated into our risk management, addressing ESG-related risks such as regulatory changes and stakeholder expectations. This includes setting clear ESG-related objectives, tracking progress, and initiatives driven by the Executive Committee. This report details specific ESG risks in the relevant sections, along with an overview of the corresponding **mitigative and preventive measures** implemented.

Sulzer's enterprise risk management system, led by the Group General Counsel, involves a structured line reporting system across regions. Local compliance officers report through regional compliance officers and the Chief Compliance Officer to the Group General Counsel. The Compliance and Risk Management team at headquarters oversees the company-wide compliance program and all compliance investigations, ensuring consistent implementation of preventive compliance risk mitigation actions. The Group General Counsel updates the Board of Directors and the Executive Committee on significant legal and compliance matters and legislative changes, informing them about potential legal and compliance risks.

## ESG strategy

Sulzer's mission is to serve essential industries to contribute to a prosperous economy and sustainable society. This mission, embedded in the Sulzer 2028 strategy, is the guiding star for the ESG strategy.

Sulzer 2028 is based on two main pillars. The first pillar focuses on **above-average organic growth** in structurally growing markets with a **high-quality, future-proof business** portfolio. The second pillar is **operational excellence** along the value chain. The goal of the ESG strategy is to contribute to both pillars. To do so, environmental, social and governance-related risks and opportunities for Sulzer are identified, assessed and integrated in the corporate strategy.

Regarding the **first pillar**, Sulzer harvests business opportunities around sustainability to support organic growth. Sulzer is successfully positioned in three essential and structurally growing markets: Energy security and transition, natural resources processing and recycling, and performing and sustainable process industries. All three end markets are undergoing fundamental change, driven by the long-term impacts of climate change, sustainability requirements and the need to ensure security of energy and natural resource supply. This transition offers attractive business prospects and growth opportunities. And Sulzer is well positioned with a future-proof portfolio in energy efficiency, cleaner processes and decarbonization. Already today, all three divisions of Sulzer serve the sustainability-driven needs of its customers.

### 2025 examples of sustainable customer projects:

- The **Services** division advanced energy efficiency by launching Sulzer Energy Optimization Services, a new pump optimization solution. This service helps customers reduce power consumption in the operation of centrifugal pumps across their lifecycle for energy intensive industries.
- **Flow** supported increased wastewater treatment capacity for a plant in the Veneto region of Italy by providing a single-source solution to upgrade screening, filtration, and pumping systems, improving resilience and operational efficiency. The scheme will reduce operating costs and enable the wastewater treatment plant to handle higher flows experienced during heavy rainfall.
- **Chemtech** was selected to supply advanced carbon capture internals for the UK's Net Zero Teesside Power project, supporting cleaner power production by designing, manufacturing and supplying essential proprietary internals for the carbon capture unit of the gas-fired plant.

These are just three examples of opportunities that form an integral part of Sulzer's business DNA, Sulzer 2028, and that drives Sulzer's organic growth.

The **second pillar** focuses on operational excellence for the fulfillment of ESG-related regulatory requirements. Sulzer's ESG strategy ensures compliance with all requirements in the most efficient way. Sulzer further developed its **materiality analysis** by conducting a double materiality assessment in accordance with the Swiss Code of Obligations (CO) in 2025. The assessment essentially defines Sulzer's ESG reporting requirements. Beyond reporting, it will help Sulzer to define its material impacts, risks and opportunities for further integration into its corporate strategy.

Specific **ESG-related targets** can be found in the topic specific chapters and further information in **Sulzer's Sustainability related directives and guidelines**.

# Stakeholder list and interactions

	Interactions
<b>Employees</b>	<ul style="list-style-type: none"> <li>– Exposure to meetings during development programs and trainings</li> <li>– (Global, divisional, functional) townhall meetings with direct interactions between management and employees</li> <li>– Global employee survey (“Voice of Sulzer”)</li> <li>– Performance management process with regular check-ins between employees and line managers</li> <li>– Regular “coffee chat” sessions between small groups of employees and individual EC members</li> <li>– Use of internal engagement platforms enabling two-way communication</li> </ul>
<b>Unions</b>	<ul style="list-style-type: none"> <li>– 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</li> <li>– Joint ESH committees/works councils in multiple countries</li> </ul>
	European work councils (EWC) as core union
<b>Business partners</b>	<ul style="list-style-type: none"> <li>– Business events, trade fairs</li> <li>– Collaboration and development</li> <li>– Supplier assessments</li> <li>– Global key account network</li> <li>– Partnerships and offerings for more sustainable solutions and systems</li> <li>– Dialogue relating to the risk management approach, sharing of risk assessment information</li> <li>– American Petroleum Institute (API), US trade association representing America’s oil and natural gas industry</li> <li>– Avenir Suisse Foundation</li> <li>– Chamber of Commerce, Winterthur (HAW)</li> <li>– Europump, the European Association of Pump Manufacturer Associations</li> <li>– Federation of Swiss-based multinational Enterprises, SwissHoldings and its subgroup for Corporate Social Responsibility</li> <li>– German Engineering Federation (Verband Deutscher Maschinen- und Anlagenbau, VDMA)</li> <li>– House of Winterthur</li> <li>– Swiss carbon removal platform</li> <li>– Swissmem</li> </ul>
	Suppliers
	Customers
	Insurance
	Associations
<b>Business influencers</b>	<ul style="list-style-type: none"> <li>– Conferences, working groups</li> <li>– Education, internships</li> <li>– Joint development programs</li> <li>– Social activities</li> <li>– Education</li> <li>– Employment</li> <li>– Social activities</li> <li>– Taxes</li> <li>– Media releases, briefings, events and contacts</li> <li>– Regular interviews with top management</li> </ul>
	NGOs/NPOs/universities
	Local municipalities
	Media
<b>Financial community</b>	<ul style="list-style-type: none"> <li>– As a listed company, we report on financial results every half-year, including comments on the business performance and outlook</li> <li>– Important events are reported on an ongoing basis (ad hoc publications)</li> <li>– We regularly hold investor days and participate in investor fairs</li> <li>– We provide information on request and stay in regular touch with important rating agencies via our CFO and Finance team</li> </ul>
	Shareholders
	Rating agencies

## Materiality – overview

Sulzer's sustainability management is based on materiality to ensure focus on relevant environmental, social and governance topics. Materiality defines the scope of this non-financial reporting.

In the past, Sulzer applied a stakeholder materiality analysis. Material topics were identified and prioritized based on internal and external stakeholder perspectives. Topics with a high impact on Sulzer and of high importance to Sulzer stakeholders were deemed material.

In 2025, Sulzer further developed its existing materiality analysis using a double materiality assessment in accordance with the Swiss Code of Obligations (CO). The double materiality assessment focuses on the analysis of existing and potential positive and negative impacts of Sulzer on its environment (inside-out perspective), as well as the impact of external factors on Sulzer's business activities (outside-in perspective).

The non-financial report 2025 covers the topics identified in the materiality assessment.



**Environment**

**2**

# Climate change and energy mix

## Overview

In accordance with article 964a-c of the **Swiss Code of Obligations (CO)** and the Swiss Ordinance on Reporting on Climate Matters, Sulzer reports on climate issues based on the recommendations of the “Task force on climate-related financial disclosures” (TCFD) for 2025. Sulzer’s **TCFD Report 2025** is located in the [appendix](#) of this report.

As required for Sulzer’s TCFD Report 2025, Sulzer calculates its carbon footprint according to the requirements of the Greenhouse Gas Protocol (GHG Protocol). The emission categories of the GHG Protocol were evaluated and, where applicable, the corresponding emissions for Sulzer in 2025 were calculated. In the non-financial report for 2025, Sulzer’s climate change-related reporting is aligned to the recommendations of the TCFD, including an evaluation of **risks, opportunities, and impacts**.

## Overview greenhouse gas emissions and key performing indicators

The calculation of Sulzer’s carbon footprint revealed that approximately 99% of the total carbon footprint along the value chain results from one emission category, the use-phase of our sold products (category 3.11).

Following the GHG Protocol, the calculation distinguished between direct scope 1 emissions and indirect scope 2 emissions. Scope 1 emissions, primarily from direct fuel combustion in our operations and from company vehicles decreased by 17%, totaling 12.5 kt CO<sub>2</sub>e in 2025. Sulzer chose the operational approach and included emissions for leased assets in scope 1. Scope 2 emissions, resulting from purchased energy, mostly electricity, amount to 46 kt CO<sub>2</sub>e. The increase stems from fewer renewable energy certificates purchased. Sulzer aims to prioritize direct renewable energy sourcing with viable business cases in the coming years.

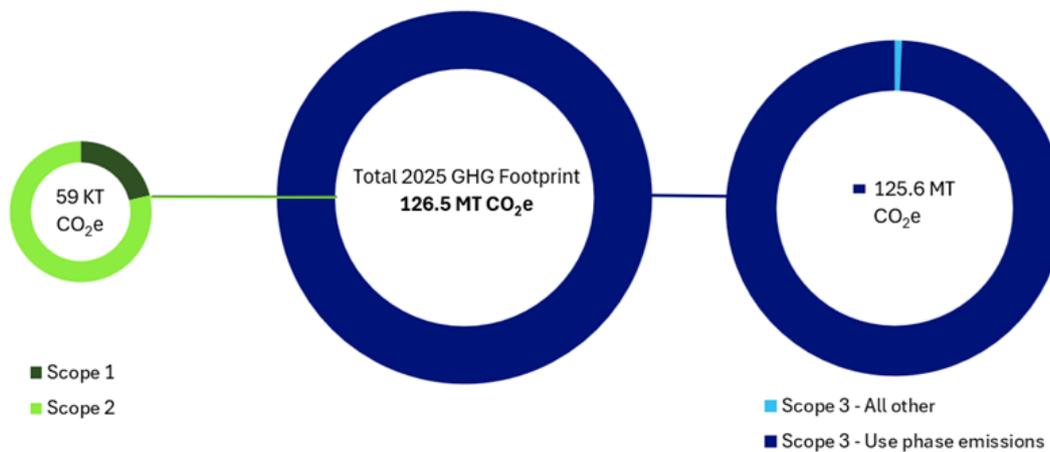
In 2025, the total Scope 1 and 2 GHG emissions intensity was 16.5 kt CO<sub>2</sub>e per million CHF, indicating an increase from 12.3 kt CO<sub>2</sub>e in 2024.

Scope 3 distinguishes upstream and downstream emissions. The major upstream emission categories are purchased goods and services (category 3.1), business travel (3.6) and capital goods (3.2). Due to the business processes, the emissions resulting from the processing of intermediary products (category 3.10) are incorporated in category 3.1. Emissions for these categories are 695 kt CO<sub>2</sub>e (3.1 and 3.10), representing a 4% increase, 21 kt CO<sub>2</sub>e (3.6), which decreased by 15%, and 20 kt CO<sub>2</sub>e (3.2), reflecting a 17% increase, respectively.

Sulzer’s emissions predominantly arise from the use-phase of products in category 3.11, totaling approximately 125’593 kt CO<sub>2</sub>e. This represents a 40% increase due to higher sales in 2025. Another relevant category is the emissions related to the end-of-life treatment in category 3.12, with around 25.5 kt CO<sub>2</sub>e, which reflects an increase of 11%.

The calculations do not distinguish between biogenic and non-biogenic emissions. The primary emission categories for Sulzer are associated with non-biogenic materials, mainly metals or fuel sources.

The following graph shows the emissions in accordance with the GHG Protocol categories for Sulzer in 2025:



## Reduction target

The carbon footprint calculation for 2024 serves as the base year for defining and measuring reduction targets.

Sulzer keeps its defined reduction target of -30% by 2030 for Scope 1, 2 and selected categories of Scope 3 (fuel and energy-related activities (category 3.3), business travel (category 3.6)), and carbon neutrality by 2050.

Sulzer is striving to increase the efficiency of its products and reduce their emission and energy intensity. The reduction of use-phase emissions, however, largely depends on the global transition to renewable energy and the implementation of carbon capture technology for fossil energy sources. Any targets defined will be contingent on this transition.

In addition, Sulzer identified **potential reduction levers and measures** along the entire value chain. Upstream, the main lever lies with purchased goods and services: the use of circular materials, particularly metals, the emission reduction efforts of our suppliers, and the gradual adoption of low-emission materials.

Ongoing efforts to improve efficiency and the progressive transition to renewable or emission-reduced fossil energy sources allow Sulzer to meet its emission reduction targets for its operations in a business-driven manner.

Downstream, in addition to the main focus on use-phase emissions, the recycling of materials helps reduce end-of-life emissions.

## Energy mix

Electricity accounts for the most significant proportion of Sulzer’s energy mix. In 2025, approximately 63% of the energy consumed was electricity, followed by fuels at 33% and purchased heat at 4%.

Sulzer distinguishes between fossil and renewable or non-fossil electricity. Renewable and non-fossil electricity sources can include hydropower, wind, solar, geothermal and bioenergy, as well as nuclear. Fossil energy sources include gas, petrol and coal. In 2025, the share of renewable and non-fossil electricity was 30%.

	2025	2024
<b>Direct energy by type (GJ)</b>	<b>614'714</b>	<b>565'883</b>
<b>Electricity</b>	<b>386'195</b>	<b>346'439</b>
Fossil based	199'471	143'320
Renewable (incl. Nuclear)	186'724	203'119
<b>Fuels</b>	<b>203'659</b>	<b>200'218</b>
Natural gas (incl. Propane, Butane)	119'449	124'282
Diesel and petrol	80'240	71'159
Light & heavy oil	3'970	4'777
<b>Purchased Heat</b>	<b>24'277</b>	<b>19'226</b>

# Waste management

Waste management is an integral part of Sulzer's operational practices. Based on a waste management hierarchy, Sulzer prioritizes waste prevention and reduction, followed by reuse, recycling, and energy recovery. The last option is the treatment and disposal of waste.

The hierarchy is aligned to the EU waste framework directive with the dual aim of minimizing adverse impacts of the generation and management of waste and improving resource efficiency.

Sulzer's waste management guideline provides a five-phase approach known as **DMAIC: Define, Measure, Analyze, Improve and Control**. This approach helps to systematically enhance waste-handling processes across the company:

1. *Define*: The waste is categorized into 21 fractions, distinguishing between non-hazardous and hazardous types.
2. *Measure*: Using an international system of units, this phase relies on empirical data that is reported on a monthly or partially quarterly basis.
3. *Analyze*: Data is analyzed at division and group level to detect trends, examine deviations, and compare against directives and targets.
4. *Improve*: Relevant improvement plans are created on-site, detailing specific targets, timelines and responsible parties for specific waste streams.
5. *Control*: Continuous monitoring ensures tracking of key performance indicators (KPIs) such that corrective actions are taken if deviations from the targets are detected.

This approach to waste management enables detailed evaluations of waste streams and the establishment of effective waste management practices. It also allows to identify and manage impacts or risks related to waste and waste management. To support the implementation of the guideline, we have established an internal waste management process that describes the practices, processes, and provides tools. This is supported by a waste management handbook that provides a collection of good practices for reducing, collecting and treating the different waste streams and a digital ESH reporting tool, ensuring effective monitoring and enabling monthly reporting to enhance decision making.

Concerning key performance indicators. The total amount of waste in 2025 amounts to 20'291 tons. Sulzer achieved an overall waste recycling rate of 66% in 2025. Non-recycled waste increased by 7%, due to a site expansion. External recycling of non-hazardous waste grew by 11%. Hazardous waste fell by 48%.

The main materials with presence in the waste streams are metals and wood. For these materials, the combined recycling rate was approximately 95% in 2025. Another main waste stream is municipal waste that is mostly directed for disposal.

Special attention is given to the management of hazardous waste, which Sulzer aims to continuously reduce. For hazardous waste, strict waste management practices adhering to regulatory requirements are established. Hazardous waste accounts for 6% in 2025. A decrease of 51% from 2024.

	2025	2024
<b>Total amount of waste (tons)</b>	<b>20'291</b>	<b>18'990</b>
<b>Diverted from disposal</b>	<b>13'414</b>	<b>12'538</b>
Non-hazardous waste - External recycling*	12'850	11'565
Hazardous waste - External recycling*	564	793
<b>Directed to disposal</b>	<b>6'878</b>	<b>6'452</b>
Non-hazardous waste - Incineration	1'212	1'322
Non-hazardous waste - Sent to landfill/rubbish dumps	4'923	3'562
Non-hazardous waste - Other external treatment	13	57
Hazardous waste - Incineration	352	392
Hazardous waste - Sent to landfill/rubbish dumps	236	298
Hazardous waste - Other external treatment	142	820
Total amount of non-recycled waste	6'878	6'452
Percentage of non-recycled waste	34	34
Total amount of non-hazardous waste	18'997	16'507
Total amount of hazardous waste	1'294	2'483
<b>Percentage of hazardous waste</b>	<b>6</b>	<b>13</b>

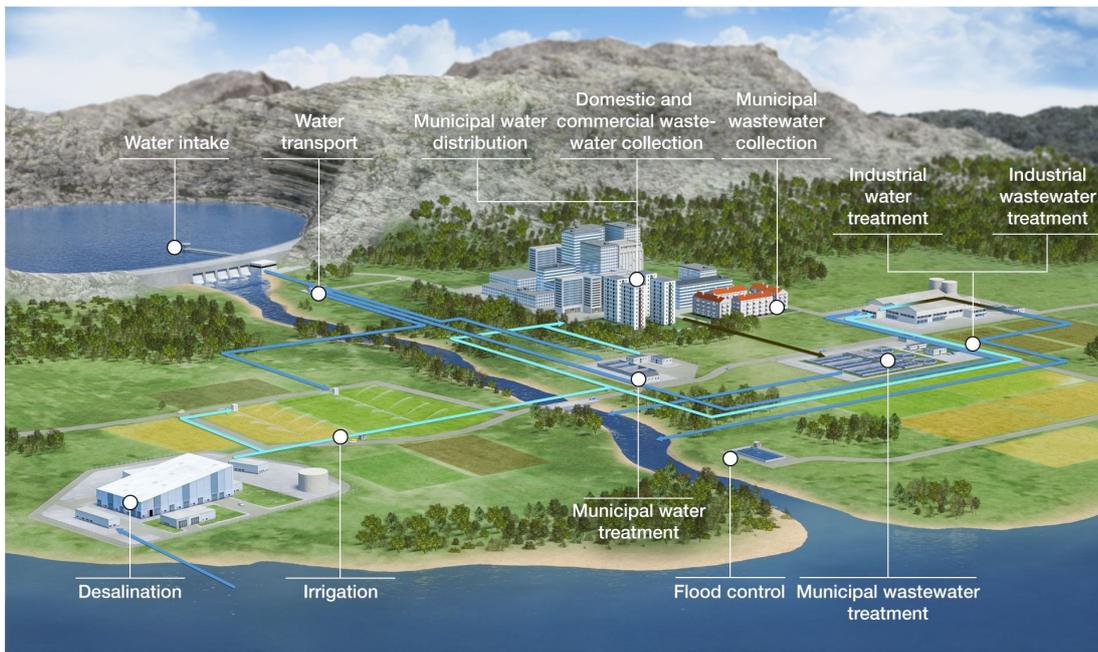
\* Includes values previously reported as "Reuse"

# Water

## Water-related offerings and applications

The company targets organic growth in three key markets, including natural resources. A major growth driver within this area is the expanding addressable market for water-related solutions. Sulzer understands the market needs and provides a comprehensive range of products and services throughout the entire water cycle. More specifically, its offerings include pumps, agitators, grinders, screening, sedimentation, and filtration solutions, compressors, aerators, and control and monitoring systems. With its range of water solutions, Sulzer aims to assist municipal, commercial, and industrial customers by lowering their operating costs through enhanced energy efficiency and decreasing their downtime by providing reliable solutions and services.

Sulzer's extensive portfolio covers water sourcing and production activities such as water intake, transport, treatment for potable or industrial use, and desalination. In addition, the portfolio provides solutions for water delivery and return-flow management including distribution, irrigation, flood control, wastewater collection, and wastewater treatment. The water cycle stages which are served by Sulzer's solutions are illustrated below:



Sulzer's solution areas across the water cycle

## Strategic focus

Sulzer intends to strengthen its position in the municipal and industrial water segment with a special focus on wastewater treatment applications. To drive this ambition forward, Sulzer established a dedicated Water Treatment Solutions Center of Excellence in 2025. This global center is focused on designing and delivering advanced engineering solutions for water treatment, leveraging the strengths of Sulzer's well-established brands: FRC, JWC/IPEC, Nordic Water, Owatec, and its latest strategic acquisition, Probig.

Probig was acquired in 2025 and its integration into Sulzer's portfolio marks a significant enhancement, bringing in market-leading scrapers made from non-metallic materials and innovative sludge extraction systems. This move not only broadens Sulzer's technological capabilities but also strengthens its position as a comprehensive solutions provider in the water treatment space.

In parallel, Sulzer enhanced its presence in the water segment through the expansion of the flexible rental solutions model in 2025. These offerings are tailored for scenarios where customers require temporary access to equipment, such as during infrastructure upgrades or dewatering during construction projects. Sulzer's rental portfolio includes bypass pumping systems, mobile water treatment units, and Air-for-Rent turbo blower systems. This business model is designed to support both municipal and industrial customers by providing access to cutting-edge technology in a cost-effective, low-risk, and adaptable manner, ensuring that Sulzer continues to meet evolving market needs with agility and innovation.

## Innovations

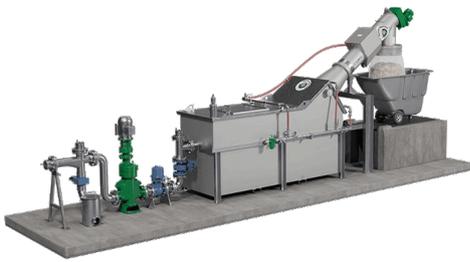
Sulzer launched and extended several products in 2025 that address the water segment:

**Drumscreen Monster® channel rotary screen (CRS):** This innovative screening solution supports municipal wastewater treatment by efficiently capturing, washing and dewatering solids at the beginning of the treatment cycle. Its state-of-the-art design ensures reduced maintenance downtime and operational costs while ensuring smooth integration into existing infrastructure.



**Scaba STA launch:** The newest agitator in Sulzer's portfolio offers optimized mixing performance for customers in various industries including Water and Wastewater. With its high-efficiency hydrofoil propellers, the agitator can significantly reduce energy consumption and operating costs. Furthermore, its robust, modular design ensures long-term reliability, easy maintenance, and adaptability.

**Muffin Monster Manhole extension:** Following the success of the first-generation system, the Muffin Monster Manhole was adapted to include larger grinders and can now handle higher flows up to 4868m<sup>3</sup>/hr. By expanding the range, the Muffin Monster Manhole can now be specified in an even wider range of potential projects.



**Honey Monster SRS-ALT product line expansion:** The expanded line now offers up to 75% wash water savings, easier maintenance, and an improved press zone that prevents transport stalling. Furthermore, the equipment can be retrofitted to older models and paired with the CMF Channel Monster for even greater performance.

As a full-service provider for water and wastewater transport and treatment, Sulzer is dedicated to supporting our customers. Together, we create resilient water solutions.



**Social**

**3**

## Own workforce

NOTE: Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

### Characteristics of Sulzer employees

The employee data within this report considers all Sulzer employees, excluding students, interns and apprentices. The number of employees reflects full-time equivalents (FTE). An FTE is defined by an employee's total workload relative to standard working hours per week. These standard working hours are defined by local country regulations and may vary accordingly. All workforce characteristics shown are provided as of the end of the reporting period (i.e., December 31, 2025), except for the information on turnover, which is measured over the entire reporting period.

#### Number of Sulzer employees (FTE) by gender

Gender	Number of employees (FTE)
Male	11'174
Female	2'352
Other	Not applicable
Not reported	Not applicable
<b>Total Employees</b>	<b>13'526</b>

#### Number of Sulzer employees (FTE) by market

Market	Number of employees (FTE)
USA	2'390
China	1'681
India	1'435
United Kingdom	1'184
Germany	756
Mexico	659
Switzerland	552
Brazil	474
Spain	389
France	385
Finland	370
South Africa	345
Sweden	328
Saudi Arabia	309
Ireland	260
Indonesia	254
Canada	242
Australia	198
Netherlands	173
Singapore	149
UAE	114
Norway	107
Italy	84
South Korea	73
Argentina	70
Iraq	66
Bahrain	61
Malaysia	54
Colombia	53
Belgium	52
Other countries	259
<b>Total Employees</b>	<b>13'526</b>

Sulzer employs a small number of temporary workers (<3% of total FTE). Temporary employees are typically hired for projects which have a contractually limited duration. They may also be recruited during times when demand is high or to cover for permanent employees who are on leave of absence.

#### Number of Sulzer employees (FTE) by employment type and gender <sup>1</sup>

Male	Female	Total FTE
Number of employees (FTE)		
11'174	2'352	13'526
Number of permanent employees (FTE)		
10'841	2'317	13'158
Number of temporary employees (FTE)		
333	35	368

#### Employees (FTE) who have left Sulzer

Total number of departures (FTE)	1'735
Rate of employee turnover (FTE)	13.2%

The total number of departures includes permanent employees (FTE) who left Sulzer during the reporting period of 2025. They may have left voluntarily or involuntarily. The rate of turnover is calculated as an average across the reporting period, whereby the total number of departures is divided by the average monthly number of permanent employees (FTE) throughout 2025.

Temporary employees are excluded from turnover.

## Employee-related matters

When addressing employee-related matters, the primary focus is on the safety and well-being of Sulzer's employees. Sulzer proactively addresses employee-related matters and ensures compliance with labor laws. This includes active investment in training and management of employee turnover to limit the risk of non-compliance. These efforts have a positive impact on Sulzer's performance and reputation. They help to ensure safety and health, improving employee engagement, retention, and overall satisfaction of our 13,526 employees worldwide.

The [Sulzer Code of Business Conduct](#) sets forth the minimum standards for how we conduct our business, including our commitment to strict adherence to labor laws, ensuring fair labor practices and maintaining a safe and healthy work environment. All employees are required to sign our Code of Business Conduct upon joining Sulzer. Members of the Sulzer Management Team must reconfirm this compliance commitment annually.

Sulzer places a strong emphasis on establishing stable employment relationships and consistently offers permanent contracts. Our **approach** to working hours goes beyond compliance with local legal requirements and is tailored to reflect local specificities. This includes standard working hours, overtime management, comprehensive leave policies and time-off benefits, all adapted to the unique contexts of the different regions.

In line with national legislation, Sulzer promotes the right to freedom of association and collective bargaining as set forth in the **Sulzer Code of Business Conduct**. Employees' representatives are neither favored nor discriminated against. We mitigate any potential internal conflicts in a timely manner to minimize the risk of labor disputes and ensure a stable workforce.

Effective communication and consultation with our employees are very important to us and are carried out through a variety of channels, including our intranet, regular meetings, briefings, feedback surveys, and employee representation bodies. As an example, we conducted an anonymous pulse survey, "Voice of Sulzer", in September 2025, in which we surveyed 48% of our workforce to understand progress across global focus areas and assess overall engagement. The survey consisted of eight questions focused on engagement, recognition, and feedback and employees could participate via email at office locations and through email or mobile stations at production sites.

In addition, we offer an internal social media platform and host global townhalls and small group meetings with Executive Committee members, facilitating direct dialogue between employees and management. Employees can share feedback and suggestions through any of the above-mentioned channels. As outlined in our Code of Business Conduct, they can also report potential violations of laws, regulations or company policies to the following people or departments:

- Supervisor or manager.
- Company, division or corporate compliance officer.
- Company legal counsel.
- Corporate legal department.
- Sulzer ombudspersons.
- Sulzer Compliance Hotline.
- Group General Counsel.

## Diversity

At Sulzer, we recognize the **benefits** of a diverse workforce and an inclusive work environment.

Embracing diversity helps us attract a wider talent pool, and the variety of perspectives from people with different backgrounds and experiences leads to better decision-making and innovation capabilities.

As stated in the **Sulzer Code of Business Conduct**, Sulzer provides equal employment opportunities to all regardless of factors such as gender, race, color, age, religion, or national origin. The company also enforces a zero tolerance policy toward employee harassment. In addition, a diversity guideline outlines the responsibilities of all employees in this regard.

At Sulzer, teams with more than 75 nationalities and people of all ages work closely together for the success of our company. At present, 11% of Sulzer employees worldwide are below the age of 30, 62% are between 30 and 50, and 27% are over 50. This balanced generational mix promotes the continuous sharing of knowledge and experience and fosters creativity and innovation.

At the end of 2025, Sulzer employed 2,352 women (FTE), representing 17.4% of our total workforce. Women now account for 23.5% of top management (i.e., the Executive Committee and Sulzer Management Team). This reflects a marked improvement compared to 2023, when women made up 16.8% of the workforce and 16.3% of top management.

These results demonstrate that our efforts to increase representation are delivering meaningful progress. As we continue to broaden our talent base at all levels, we reinforce Sulzer's ability to grow stronger, foster innovation, and enhance the collective capabilities of our organization.

## Training and skills development metrics

We continuously invest in learning and development to improve employee skills and productivity, reduce the risk of workplace accidents, and increase operational efficiency. Employees have access to global elearning platforms, Sulzer Learning Pathways and LinkedIn Learning, which offer diverse content focused on developing technical, functional and soft skills. Employees can set their own learning goals and progress at their individual pace. Sulzer provides training programs focused on general business skills, for which all employees can apply, as well as function-specific programs. Sulzer also places significant emphasis on the training and up-skilling people managers, with four corresponding training programs conducted in 2025, benefiting 331 people managers. With the combination of formal training programs and self-driven learning, the overall average training hours per employee and by gender is not tracked.

The performance management process at Sulzer is designed to improve performance and drive professional development. At the same time, it creates a clear link for employees between their individual contribution and the company's strategy. The yearly cycle is structured into three distinct phases. With regular touchpoints taking place in each phase, there is on-going dialogue between people managers and employees on performance and development.

All our employees are expected to have at least three performance reviews per year, of which 43% are managed offline and 57% online, meaning that they are documented and tracked in our HR system. For the performance management cycle of 2025, the compliance for the latter was at 91% for the first review (92% for women, 90% for men), at 83% for the second review (84% for women, 82% for men) and at 96% for the third review (96% for women, 97% for men).

## Social protection

At Sulzer we believe that the well-being of our employees is critical to our long-term success and sustainability. All employees globally are covered by social protection (either public or enhanced company initiatives) against loss of income due to major life events such as sickness, employment injury and acquired disability, parental leave or retirement. These programs reflect our commitment to creating a safe, supportive and fair working environment, accompanying our employees throughout the whole life cycle.

# Safety and health

## Strategy and management

Sulzer's safety management is grounded in its **Quality, Environment, Safety and Health (QESH) Directive**, complemented with process specific guidelines, which apply globally. Sulzer focuses on mitigating physical risks for employees, as well as **associated financial risks**. The directive and related guidelines focus on regulatory compliance and continuous improvement, with an emphasis on preventing workplace incidents through audits, risk assessments, and performance reviews. Regular occupational safety risk assessments are conducted at all sites, employing a hierarchy of controls to mitigate hazards.

Sulzer's **due diligence approach** to health & safety is critical to our business success because our people are our most valuable resource. We live by the "safety first" principle, which is fundamental to Sulzer's operational ethos, and requires the active participation of all organizational tiers to enhance operational excellence.

Sulzer promotes **accountability and active risk mitigation** by encouraging employees to recognize unsafe behaviors and take immediate action to address them, fostering a culture of safety awareness and proactive behavior. Comprehensive emergency response plans are in place to manage potential crises, protecting employees and the environment. Safety walks are conducted to identify and discuss specific safety topics and ensure safety remains a top priority. The Stop Work Authority empowers employees to halt any activity, if they believe it poses an imminent risk to safety, reinforcing the principle that safety comes first. Strict protocols are followed for managing high-risk activities such as confined space entries, lifting operations, and lock-out/tag-out (LOTO) processes.

The **ESH Management System** outlines a continuous improvement cycle focused on environmental, safety and health standards. It begins with the "Plan" phase, that involves setting goals, compliance and organizational structure within the QESH policy. The "Do" phase encompasses ESH documentation, training, safety management and risk management. This is followed by the "Check" phase, that includes performance management, incident reporting, monitoring, measurement and audits. The "Act" phase involves analyzing events, assuring compliance and learning lessons. The overarching goal is to improve compliance, defenses, competency and culture, while reducing risks, hazards, environmental impact and complexity within the organization.

Additional actions include the implementation of training programs that focus on high-risk tasks, ensuring that employees are equipped with the knowledge and skills necessary to handle these activities safely. Regular safety drills are conducted to assess and improve emergency response readiness. Internal safety site visits are carried out periodically to evaluate compliance with safety protocols, and the results are used to refine practices and address identified gaps. External audits are conducted annually, providing an independent review of safety measures to ensure that operations meet both legal requirements and best practices.

## Risk and opportunities

Sulzer is committed to minimizing health and safety risks to ensure the well-being of all employees. The key risks identified include activities such as driving, electrical works, hot works, lifting operations, working at height, working in confined spaces and managing machinery and equipment. These risks have the potential to cause severe injury, if not managed correctly. Opportunities arise from advancing safety practices, implementing new technologies and continually refining processes to protect both employees and operational efficiency. Mitigating safety risks also supports cost reduction by minimizing disruptions, absenteeism and potential regulatory fines.

## Metrics and targets

Sulzer aims to maintain an **Accident Frequency Rate (AFR)** below 1, an **Accident Severity Rate (ASR)** below 15 and a **Total Accident Rate (TAR)** below 13.

In 2025, the AFR was recorded at 0.7, below the defined target. Sulzer continues to enhance its accident prevention strategy by strengthening risk mitigation measures and reinforcing safety protocols.

The ASR was recorded at 20.4, exceeding the target. While this highlights areas for improvement, we remain committed to reducing incident severity through targeted interventions, enhanced safety training, and proactive risk management. The TAR was recorded at 10.7, meeting the target and demonstrating the effectiveness of our safety initiatives.

Employee engagement in safety remained strong, with more than 23'863 safety walks conducted in 2025.

For 2026, Sulzer will focus on advancing safety initiatives by incorporating new technologies, enhancing training programs, and maintaining employee engagement in safety activities. The aim is to further reduce incidents, continuously improve safety performance, and foster a safe working environment.

## Human rights and workers in the value chain

As a global company, we recognize our responsibilities regarding sustainable business practices. We consider ethically, socially and environmentally responsible practices as fundamental pillars of our business relationships and a key part of our business success. This is a fundamental aspect of Sulzer's operational strategy, reflecting a strong commitment to ethical practices and the welfare of individuals affected by our activities.

Risks associated with non-compliance in human rights areas, particularly in forced labor and child labor, can be significant. Legal repercussions, including fines, are a direct consequence. More so, human rights violations could tarnish Sulzer's reputation, which would lead to loss of business and the erosion of stakeholder trust. Sulzer's business activities also could pose risks to society at large. Inadequate attention to human rights could contribute to broader societal issues, such as inequality, social unrest and the undermining of community trust. These societal impacts could extend beyond immediate business operations, potentially affecting Sulzer's long-term social sustainability and our relationship with the communities in which we operate.

To address these challenges, Sulzer has implemented a due diligence approach that includes directives, measures and tools that are described in detail below. These measures are designed to ensure adherence to human rights standards within our company and across our business partners. Continuous improvement of our compliance management system, including efforts to combat corruption, is central to Sulzer's strategy. This approach not only aims to prevent human rights violations but also to minimize negative societal impacts, underlining Sulzer's dedication to responsible and sustainable business conduct. Therefore, this topic has been embedded in the **Sulzer Code of Business Conduct**, the **Sulzer Supplier Code of Business Conduct**, the **Sulzer Human Rights Directive** and the **Sulzer Supply Chain Policy** to complement our **Child Rights Policy**.

The **Sulzer Human Rights Directive** aims to prevent adverse human rights impacts. It addresses the identification of high-risk areas using recognized sources and carrying out due diligence with business partners, focusing on social sustainability and key human rights issues. The directive covers several critical aspects, such as ensuring the minimum age for workers, proper work contracts, managing overtime and rest times, prohibiting the confiscation of identity documents, safely managing high-risk activities and limiting exposure to hazardous chemicals.

**Sulzer's Child Rights Policy** applies to all Sulzer entities, employees and business partners globally, including suppliers. Key aspects of the policy include employing young workers as part of their education, ensuring fair incomes and providing social protection and health services. Sulzer prohibits exposing young workers to hazardous conditions and limits their tasks to ensure safety.

**Sulzer's Supply Chain Policy** mandates adherence to human rights standards across our global supply chains. It prohibits child and forced labor, discrimination and exploitative practices, while ensuring working conditions comply with applicable laws. The policy mandates fair labor practices including freedom of association and equitable wages. Sulzer is committed to ethical sourcing and has mechanisms for risk management and due diligence to prevent abuse of rights. A supplier risk analysis system is in place since 2024. A whistleblower hotline serves as a grievance mechanism that allows for reporting of supply chain issues, while assuring confidentiality and anonymity for reporting parties. The whistleblower and compliance hotline is an incident reporting system that enables employees as well as third-parties to report (potential) violations of laws or internal regulations or doubtful supply chain-related practices via a hotline, a smartphone app or a dedicated website. The Supply Chain Policy applies to all Sulzer businesses, employees and suppliers.

The **Sulzer Supply Chain Directive** defines Sulzer's approach to managing its supply chain, including the mandate of the procurement organization and the governance of supply chain risks. It includes a commitment to ensure ESG-conscious sourcing (see the [Governance – Supply Chain Directive](#) chapter for further details).

### **Sulzer Supplier Code of Business Conduct**

Close cooperation with our suppliers is the basis to avoid non-compliance in human rights areas, particularly concerning forced labor and child labor, but also to avoid environmental offenses in our supply chain.

Sulzer maintains a compliance program requiring all Sulzer Companies to behave ethically and in a compliant manner that adheres to the principles of Sulzer's Supply Chain Policy. All suppliers and service providers of Sulzer should commit to and ensure that their organizations and their suppliers will also act in line with the ethics and compliance standards applied by Sulzer. With this approach we can ensure that the quality standards and sustainable supply chain practices of our global supplier base are in line with our own.

Sulzer signed the **10 Principles of the UN Global Compact**. Suppliers are expected to acknowledge and respect these principles. In addition, suppliers are expected to follow the principles set out in the Sulzer Supplier Code of Business Conduct, including the commitment to adhere to the principles of Sulzer's Supply Chain Policy.

Foremost, suppliers are expected to comply with all applicable laws, rules, statutes and regulations. This includes but is not limited to anti-corruption, anti-bribery, antitrust, competition, modern slavery, tax evasion, money-laundering, and criminal laws. Internationally proclaimed human rights, including not engaging in practices such as child labor, forced labor, or any other form of slavery, must be respected. Suppliers are encouraged to ensure their supply chains are free from unethical practices, particularly in relation to "conflict minerals."

The code requires Sulzer's suppliers to uphold principles of non-discrimination in employment, respecting personal dignity, privacy and the rights of each individual and prohibit any behavior that is coercive, sexual, threatening, abusive or exploitative. This includes worker safety and provision of fair and favorable working conditions by supporting freedom of association, collective bargaining and fair wages. The right to tenure of communities and to refrain from engaging in land grabbing must be upheld.

In terms of environmental responsibility, suppliers are expected to prevent environmental pollution and manage hazardous substances and waste in accordance with relevant conventions and directives. This includes compliance with the Basel Convention for hazardous waste, the Stockholm Convention on persistent organic pollutants and the European Union's REACH directive for hazardous chemicals.

Further requirements relate to the protection of personal and confidential data, accurate business and financial records and compliance with applicable export laws.

In the event of a reasonable suspicion of a violation of the Supplier Code of Business Conduct, Sulzer expects suppliers to grant Sulzer access to relevant documents to facilitate investigations and the resolution of any potential misconduct.

Overall, these guidelines provide a comprehensive framework for suppliers to follow, enabling Sulzer to promote and ensure ethical conduct, legal compliance and responsible business practices throughout the supply chain. Suppliers can demonstrate their commitment to upholding high standards of integrity, sustainability and social responsibility in their business operations.

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 are treated in a confidential manner.

Both the Supply Chain Policy and the Sulzer Supplier Code of Business Conduct are available to the public on our website and have been communicated both internally and to our business partners, including Sulzer's expectations.

Our supply chain risk management process is integrated into Sulzer's overall risk management framework, and the supply chain due diligence process includes ESG-related audits. This due diligence process includes procurement, supply chain risk management and the ESH function, ensuring transparency and full compliance coverage. Through our people development process, training and development needs for procurement and related teams are identified and addressed to ensure understanding and compliance with relevant ESG-related regulations.

## **Conflict minerals & child labor**

Based on internal controls and audits, Sulzer has determined that the conditions for the application of the mandatory supply chain due diligence obligations, as prescribed by the **Swiss Code of Obligations (CO)** and the **Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO; Verordnung über Sorgfaltspflichten und Transparenz bezüglich Mineralien und Metallen aus Konfliktgebieten und Kinderarbeit, VSoTr)**, are not met for the reporting period of financial year 2025.

Regarding minerals and metals from conflict-affected areas, the assessment conducted for the financial year 2025 established that Sulzer was below the quantitative thresholds stipulated in art. 964j para. 2 CO, in conjunction with art. 4 and annex 1 DDTro. Consequently, Sulzer is exempt from the mandatory application of the due diligence and reporting obligations concerning minerals and metals from conflict-affected areas, as prescribed by the CO and the DDTro.

Regarding the risk of the use of child labor in the supply chain, Sulzer has no reasonable grounds to suspect that any of its products or services are produced or provided using child labor. Given Sulzer's commitment to the highest standards of human rights protection, our ambition is to comply voluntarily with the supply chain due diligence obligations of the CO and the DDTro concerning child labor.

## **German Act on Corporate Due Diligence Obligations in Supply Chains (SCDDA)**

In line with Sulzer's ambition to comply, on a voluntary basis with the requirements of the **German Act on Corporate Due Diligence Obligations in Supply Chains (SCDDA)** (Lieferkettensorgfaltspflichten-gesetz (LkSG)), human rights and environmental considerations are included in the enterprise risk management. Sulzer appointed a human rights officer responsible within the organization. Regular risk screening and analysis are defined by the Sulzer Supply Chain Directive. A grievance mechanism for Sulzer employees and any other interested parties is established to ensure an adequate complaints procedure. As mentioned above, Sulzer's Supply Chain Policy and the Sulzer Supplier Code of Business Conduct are issued and publicly available on Sulzer's website. ESG supplier questionnaires are used as preventive measures.



**Governance**

**4**

## Governance

Sulzer has established and implemented a comprehensive, value- and risk-based compliance program that focuses on prevention, detection and response. It gives high priority to conducting business with integrity, in compliance with all applicable laws and internal rules (“a clean deal or no deal”), and to accepting only reasonable risks. Sulzer follows a “zero-tolerance” compliance approach. The Board of Directors and the Executive Committee firmly believe that compliant and ethical behavior in all aspects and at all levels is a precondition for successful and sustainable business. The ethical tone is therefore set at the top, carried through to the middle and transmitted to the entire organization. Sulzer also fosters a speak-up culture and encourages employees to address potentially non-compliant behaviors without fear of retaliation.

Furthermore, Sulzer joined the United Nations Global Compact (UNGC) initiative in 2010 and is an active member and ambassador.

### Compliance (including anti-corruption and anti-bribery)

In addition to the direct risks to Sulzer, such as fines and reputational damage, non-compliant business conduct and breaches of anti-corruption legislation can have significant societal impacts. Past examples have demonstrated that when international companies engage in corruption, not only do they face substantial monetary damages, but their actions also undermine the economic stability and development of the communities and markets they serve. Corrupt practices erode trust in both public and private institutions, hinder fair market competition and can contribute to broader social and economic inequalities.

Acknowledging these wider implications, Sulzer is committed to more than just self-regulation and legal adherence. Our developed and continually evolving compliance management system, including anti-corruption and anti-bribery measures, aims to protect the company and uphold our responsibility towards society.

Within Sulzer, market-facing functions such as sales, procurement and project management have been identified as most at risk for corruption and bribery. Thus, these functions are a target group for Sulzer’s anti-corruption and anti-bribery measures, which are described in the following paragraphs. During the reporting period, Sulzer was not convicted of any corruption or bribery incidents, which is an indicator that the policies and measures in place are effective in preventing and managing potential incidents. Sulzer strives to uphold its high standards of business conduct and integrity and ensures compliance through enhanced training programs, internal controls and audits.

Sulzer has a Code of Business Conduct in place (available in 18 different languages) that establishes the main framework of our compliance program, including a section regarding bribery, corruption and business accommodation. Acceptance of the Code of Business Conduct must be confirmed in writing by all employees. In addition, Sulzer has had a group-wide anti-bribery and anti-corruption program in place since 2010, which includes various policies (referred to as directives at Sulzer) and various training courses.

As of December 31, 2025, Sulzer has the following directives in place to combat corruption, which are available to all employees on the internal governance website:

## Anti-Corruption Directive

The purpose of this directive is to ensure full compliance with all applicable laws and legislation regarding anti-bribery and anti-corruption by clarifying the relevant provisions and behaviors concerning all forms of corruption and bribery. It includes a strict prohibition of any act of corruption by strictly forbidding the payment (active bribery) or receipt (passive bribery) of any kind of bribe. This prohibition applies irrespective of whether the recipient is a public official, a private person, an employee of a private customer or any third party.

The directive clearly states that breaches will not be tolerated and may lead to disciplinary and other actions up to and including termination of employment and criminal and/or civil claims. The directive further lays out the obligation of each employee to report any instance or breach of the directive that an employee may suspect or witness in the course of their employment through established whistleblower channels.

## Receiving and Offering Gifts and Hospitalitys, Facilitation Payments Directive

The purpose of this directive is to ensure full compliance with all applicable laws and legislation regarding anti-bribery and anti-corruption by clarifying when and to what extent gifts and hospitalitys are permissible for offering, giving to or receiving from employees of private or state-owned or controlled companies, public officials or their agents. The directive defines permissible and prohibited gifts and hospitalitys. It further specifies that gifts and hospitalitys in the public sector are subject to a higher level of review and scrutiny, and therefore may be offered only in exceptional cases. It also defines an approval process for any kind of deviations under certain limited circumstances. The directive further generally prohibits the making of facilitation payments of any kind, as such may be construed as a form of corruption in many countries.

## Intermediaries Directive – Integrity review and due diligence requirements

The purpose of this directive is to ensure full compliance with all applicable laws and legislation regarding anti-bribery and anti-corruption by clarifying the integrity review and due diligence requirements Sulzer must comply with when cooperating with a particular group of third-party intermediaries, such as sales intermediaries. The directive outlines the process to be followed based on an electronic workflow tool, as well as specific controls and requirements for paying such third-party intermediaries. It further defines minimum requirements for contracts with intermediaries and the **Sulzer Code of Business Conduct** for providers of commercial services that must be signed by each approved intermediary. Finally, it establishes a set of special, restrictive conditions for intermediaries that are considered high risk. As a result of this so-called intermediary due diligence process, certain proposed business transactions may be rejected due to clear risks of potential corruption or red flags indicating such risks. This is an important performance indicator for Sulzer's compliance management system.

## Sulzer Membership and Contributions Directive

The purpose of this directive is to ensure full compliance with all applicable laws and legislation regarding anti-bribery and anti-corruption by defining the criteria and processes for the personal and financial engagement of Sulzer and our employees in organizations and activities outside of the Sulzer companies. In accordance with Sulzer's Code of Business Conduct, making political contributions is prohibited unless they are made in Switzerland and approved by the CEO in advance.

## Trainings

Sulzer puts substantial effort into training our employees. Training is carried out through e-learning programs in 11 languages, with new programs rolled out and existing programs updated every year. Training is also conducted in person or via video conferencing. At least one e-learning module per year is dedicated to anti-corruption and anti-bribery. Furthermore, in person trainings are being provided on a case-by-case basis for various topics, including anti-corruption and anti-bribery, with training materials prepared by the centralized Group Compliance function. Around 70% of our functions-at-risk are covered by these training efforts.

Sulzer has also implemented web conference trainings specifically for our high-risk third-party sales intermediaries. In these sessions, the personnel of the intermediaries are trained on anti-corruption and anti-bribery topics and Sulzer expectations for their business conduct when doing business on behalf of Sulzer.

The following trainings were conducted in 2025:

- In person trainings, together with Human Resources, on anti-harassment and discrimination with a total of 3'296 participants.
- E-learning courses with a total of 25'113 completed courses.
- Export control trainings & webinars with a total of 313 participants.

The number of trainings and e-learning courses implemented is another main key performance indicator available to Sulzer to measure our compliance management system.

## Whistleblower hotline and incident reporting system

Sulzer has a compliance hotline and an incident reporting system that provides employees with multiple ways to report (potential) violations of laws or internal rules. Reports can be made anonymously or openly via a hotline, a smartphone app or a dedicated website ([www.sulzercompliancehotline.com](http://www.sulzercompliancehotline.com)). The main purpose of the hotline is to enhance transparency within Sulzer and address critical matters at an early stage. It requires all issues and incidents reported in good faith to be taken seriously and addressed swiftly. Whistleblowers acting in good faith are protected against any kind of retaliation.

In 2025, Sulzer received a total of 265 reports alleging potential compliance violations, of which 74% were made anonymously. In 25 cases, allegations were fully substantiated, leading to disciplinary or other mitigation actions.

The number of reports received over the year, as well as the anonymity and substantiation rates, are key performance indicators for Sulzer's compliance management system. This helps to identify areas of compliance that may need additional attention.

## Compliance reporting and investigation system

Sulzer's compliance reporting and investigation directive sets out clear rules for internal investigations. Each report is analyzed by the Group Compliance team at Sulzer headquarters. The whistleblower is provided with credentials, allowing them to check the status of their report, receive feedback or provide more information if necessary.

As previously mentioned, Sulzer fosters a speak-up culture, encouraging employees to raise their concerns not only to the compliance hotline but also to their direct line managers or supervisors, local or regional compliance officers, Group Compliance Officers or the Group General Counsel and Chief Compliance Officer. During regular compliance trainings, we emphasize Sulzer's speak-up culture and provide guidance on our speak-up process.

### **Organization and management of the compliance program**

To ensure the consistent roll-out, implementation and management of the above-mentioned directives, processes and tools, as well as any new compliance initiatives, Sulzer has a global and centrally led compliance organization in place, headed by the Group General Counsel. This organization uses direct reporting lines and has a structured reporting system for the three regions: Americas (AME); Europe, the Middle East and Africa (EMEA); and Asia-Pacific (APAC).

Local Compliance Officers at each Sulzer entity ultimately report to the Group General Counsel via Regional Compliance Officers and the Chief Compliance Officer. In addition, the Compliance and Risk Management team at our company headquarters steers and runs the Group-wide compliance program and all compliance investigations. All of these functions are appropriately trained and educated.

## Fair business relationships

Sulzer's approach to business relationships is guided by principles of fairness, integrity and ESG. Central to our ethos is fulfilling contractual obligations, which bolster trust and sustain partnerships.

In terms of operations, Sulzer prioritizes optimal delivery performance, crucial for both procuring materials and servicing customers. This practice showcases operational efficiency and further aligns with our company's broader ESG goals, emphasizing responsible and efficient business conduct.

Our engagement with suppliers goes beyond transactions. Sulzer ensures that suppliers meet both operational and ESG standards, fostering mutual growth and reinforcing commitment to ESG principles. This approach aims to ensure positive environmental and societal impacts.

Customer relationships at Sulzer are built around understanding specific needs and challenges. By tailoring offerings to meet customer expectations, Sulzer strengthens its market position and reputation, while adhering to ESG values. This customer-centric approach underscores Sulzer's commitment to sustainable business practices.

Transparency is a critical component of Sulzer's business interactions. Sulzer maintains open communication with partners, discussing performance, challenges and improvements, particularly concerning ESG aspects. This approach cultivates trust and continuous improvement, driving both Sulzer and our partners towards better ESG and ethical business practices.

### Supply Chain Directive

The purpose of this directive is to define Sulzer's approach to managing its supply chain, including the mandate of the procurement organization and the governance of supply chain risks. It emphasizes the importance of increasing resilience, building business continuity and integrating risk mitigation into the supply chain, while also making supply chains more transparent and sustainable in terms of ESG aspects.

The directive outlines the mission of supply chain management to enable **business strategy** by sourcing goods and services reliably and efficiently, while ensuring compliance with applicable laws. It also details the organizational framework, highlighting the roles of procurement teams in optimizing supplier portfolios and managing supply chain risks, including ESG aspects. Additionally, it includes processes for strategic and operational supply chain management, such as supplier relationship management and supply chain due diligence, to ensure responsible and sustainable sourcing.

### Group Collection Management Guideline

The purpose of this guideline is to formalize the procedures that legal entities should take to collect accounts receivable by defining clear roles and responsibilities within the Sulzer Group. It mandates all legal entities to develop and implement local collection management guidelines that align with the Group's standards. The Guideline emphasizes timely cash conversion, minimizing bad debt risks and ensuring all invoices are paid according to agreed terms. It outlines procedures for customer segmentation, tailored collection strategies, dispute management and regular management reviews. The Guideline also stresses the importance of preventive actions, such as proactive customer contact and early identification of issues, to maintain healthy customer relationships.

## Data protection

In light of increasing cyber threats and in order to remain compliant with data protection laws and regulations, Sulzer's commitment to data protection is paramount. Our approach to ensure an effective protection of our data covers multiple dimensions, starting with awareness and training, as well as internal guidelines and directives. Employees participate in regular information security and data protection training, focusing on how to protect company and personal data, with special emphasis on employees handling confidential and personal data. This forms the backbone of our proactive approach to cybersecurity threats and to prevent data breaches.

Conducting privacy impact assessments for new or revised systems or processes is a standard practice. We regularly test, assess and evaluate the effectiveness of our technical and organizational measures to mitigate risks appropriately. Ensuring the security of our data is a constant process that involves continuous monitoring and adaptation to emerging threats.

Our commitment extends beyond our internal operations to include third-party due diligence. Outsourcing partners and software providers undergo rigorous evaluation against our information security requirements. We establish clear information security and data privacy standards, as well as corresponding agreements with suppliers, to mitigate risks associated with their access to our information, data and systems, ensuring that our high standards for data protection are upheld throughout our value chain.

Auditing is an integral part of our strategy. We implement an agreed set of controls, including access control, performance review monitoring and auditing. These reviews, performed by our global chief information security officer, help monitor compliance and reinforce our commitment to data security. Moreover, we have set up an incident response team to assess, rank, analyze and manage any information security incident. This team uses well-defined protocols and response plans that are regularly updated based on lessons learned from past incidents.

As data protection continues to gain importance, Sulzer has adapted and continues to adapt its policies to remain compliant with all applicable and continually evolving data protection laws. Our approach is based on the principles of lawfulness, transparency and fairness. We process personal data lawfully, provide clear information to data subjects and ensure that data is processed only as necessary and deleted when no longer required.

We are constantly focused on further enhancing our data protection capabilities. This includes updating our existing policies to ensure compliance with local laws and regulations and, advancing our incident response measures and establishing a global data protection team. We remain vigilant and adaptable, ready to incorporate emerging technologies and respond to evolving regulatory landscapes in data protection.

## Ratings, indices and commitments

Environmental, social and governance related ratings and commitments help us to externally benchmark our approach and progress, and better understand ESG-related risks and opportunities for the company. These ratings enable our customers and other stakeholders to assess Sulzer's engagement and performance relative to our peers and within the industry.

### Commitments



The United Nations Global Compact (UNGC) is a United Nations initiative aimed at encouraging businesses and firms worldwide to adopt sustainable and socially responsible practices. Based on ten universal principles and sustainable development goals, the UNGC strives to create a more inclusive and sustainable economy for the benefit of all people, communities and markets – both now and in the future. Over 25'000 companies and organizations in more than 160 countries have joined the UNGC to demonstrate their commitment to this vision. Sulzer is proud to be a part of this effort.

### Ratings



Ecovadis is one of the leading, global providers of corporate sustainability ratings with a network of more than 150'000 rated companies. In 2025, Sulzer received a silver medal rating for being among the top 15% rated companies.



The MSCI ESG rating measures a company's financially relevant exposure and resilience to longterm, industry-relevant ESG risks. In 2025, Sulzer received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG rating assessment. This rating places Sulzer in the "Leaders" group, particularly concerning the key issue of "governance."



**Morningstar Sustainalytics'** ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company manages those risks. This multi-dimensional approach to measuring ESG risk combines the concepts of management and exposure to arrive at an assessment of ESG risk (i.e., a total unmanaged ESG risk score or the ESG Risk Rating) that is comparable across all industries. Sustainalytics' ESG Risk Ratings provide a quantitative measure of unmanaged ESG risk and distinguish between five levels of risk: negligible, low, medium, high and severe. Sulzer was certified **medium risk**, with a **risk rating score of 29.2**. This is slightly below the performance of peers, as defined by Morningstar Sustainalytics.



About this  
report

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## Reporting scope and methods

Sulzer's non-financial report for 2025 and the report on the fulfillment of the supply chain due diligence obligations have been established in accordance with the requirements of the Swiss Code of Obligations (CO) and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO).

This report was approved by the Board of Directors of Sulzer AG. It is publicly available on the Sulzer website.

### Guidelines for data collection and presentation

In this report, Sulzer AG presents ESG data for the fiscal year 2025, covering both the domestic and international entities under operational control. All relevant data available at the time of report preparation on February 26, 2026, has been included.

In particular, the report reflects changes to operational structures in the fiscal year, including the integration of newly acquired businesses and adjustments resulting from demergers. For significant changes – defined as those impacting the group level by 10% or more – re-baselining was conducted.

Environmental data for 2025 includes metrics for all Sulzer sites. The data collection scope distinguishes between manufacturing, service site and office. The corporate carbon footprint data is provided in alignment with the Greenhouse Gas Protocol.

Sulzer reports the intensity of its greenhouse gas emissions using the indicator Total GHG Emissions (Scope 1 & 2) Intensity. This metric represents the total greenhouse gas emissions from Scope 1 and Scope 2 sources, expressed in metric tons of CO<sub>2</sub> equivalent (t CO<sub>2</sub>e), normalized by annual revenue. It is calculated as the sum of Scope 1 and Scope 2 emissions divided by the annual revenue in million Swiss francs (CHF).

The social and governance data presented in this period covers the entire Sulzer Group. It is based on Sulzer's own internal calculations and provides an insight into the workforce and community engagement. It also includes safety statistics for Sulzer's manufacturing and service sites.

### Greenhouse Gas Protocol

Sulzer adheres to the corporate standards set by the Greenhouse Gas Protocol (GHG Protocol), as established by the World Business Council for Sustainable Development. For the fiscal year 2025, Sulzer calculated its direct emissions for the categories 1.1 and 1.3. Category 1.2 (equipment gas leakages) was excluded due to the absence of relevant emissions. Cooling agents and process emissions are not included in the calculation for 2025.

For purchased energy, emissions were calculated for Scope 2.1 and 2.2. By default, the emissions are calculated with a market-based approach when data is available. If relevant information is not available, a location-based approach is used.

Regarding Scope 3, categories 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.9, 3.11 and 3.12 were used to calculate the emissions. Categories 3.8 (assets leased from others, excluding cars) is part of Scope 1. Category 3.13 (assets leased to others), 3.14 (franchises) and 3.15 (investments) were excluded due to

their irrelevance or neglectable emissions for Sulzer. Category 3.10 (Processing of intermediary products) is covered in 3.1.

## **Double materiality assessment exercise**

In 2025, Sulzer further developed its existing materiality analysis using a double materiality assessment in accordance with the Swiss Code of Obligations (CO).

The double materiality assessment focuses on the analysis of existing and potential positive and negative impacts of Sulzer on its environment (inside-out perspective), as well as the impact of external factors on Sulzer's business activities (outside-in perspective).

The non-financial report 2025 covers all relevant topics identified in the materiality assessment.



# Appendix

# TCFD reporting

In accordance with article 964a-c of the **Swiss Code of Obligations (CO)** and the **Swiss Ordinance on Reporting on Climate Matters**, Sulzer reports on climate issues based on the recommendations of the “Task Force on climate-related financial disclosures” (TCFD) for 2025. The report is included in Sulzer’s non-financial reporting 2025 as a separate appendix.

The structure of the following report is adopted from the TCFD guideline. It includes the four required chapters on Governance, Strategy, Risk Management and Metrics and Targets, as well as the required sub-chapters. The TCFD requirements are added at the start of each chapter in italics.

## Governance

*Requirement: Disclose the organization’s governance around climate-related risk and opportunities.*

### 1. Describe the board’s oversight of climate-related risks and opportunities

#### Board composition:

Sulzer’s board of directors comprises seven members. Other than the Executive Chair, all members are independent in accordance with the Swiss Code of Best Practice for Corporate Governance.

Further information is published on [www.sulzer.com/governance](http://www.sulzer.com/governance).

#### Committees of the board:

There are currently five standing committees within the Board of Directors, one of which is the Strategy and Sustainability Committee. This committee advises the Board of Directors on strategic matters (such as material acquisitions, divestitures, alliances and joint ventures), strategic planning, definition of development priorities and Sulzer’s sustainability efforts.

#### Integrated sustainability governance:

Sulzer embeds its sustainability activities in the daily business as well as in its strategic decisions and sets up and monitors suitable management frameworks, systems and processes. The Board of Directors is responsible for steering Sulzer’s sustainability efforts. The Board ensures that Sulzer’s solutions contribute to a prosperous economy and a sustainable society, that people and communities are safe, and that suitable management processes and systems are in place.

The Strategy and Sustainability Committee meets two to three times a year and oversees how sustainability policies and programs support business goals and aspirations. The Executive Chair currently chairs the Committee. Depending on the topic, other members of the Executive Committee or selected members of staff are also invited. The Board of Directors is informed by the Strategy and Sustainability Committee about sustainability policies and programs one to two times a year.

## 2. Describe management's role in assessing and managing climate-related risks and opportunities

The Executive Chair of Sulzer is supported by the Chief Sustainability Officer (CSO) as a direct report. Both meet on a regular basis to discuss relevant current developments including environment, social or governance topics (ESG topics) for Sulzer. These discussions include the appropriate assessment and management of climate-related risks and opportunities.

The CSO ensures the accounting for climate-related risks and opportunities in all major decisions of the company, where relevant and applicable. It is in the responsibility of the CSO to develop and drive the implementation of Sulzer's climate mitigation strategy, including the climate transition plan for the company, mitigating climate related risks and to follow up on the opportunities.

A Senior ESG manager, together with a core team, supports the CSO in developing and driving the climate mitigation strategy and ensuring business fit and integration in the company on a group level. They work closely together with the Environment, Safety and Health responsables (ESH management) in the three divisions of the company and the global ESH community. Together, and in alignment with the business responsables, they manage and mitigate climate-related risks and opportunities on an operational, business specific or regional level.

## Strategy

*Requirement: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.*

### 1. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term

Sulzer identified climate related-risks and opportunities as part of an overarching **double materiality assessment (DMA)**.

The assessment covered the categories for risks and opportunities aligned with the TCFD guideline. These are **chronic and acute physical risks** resulting from changing environmental conditions due to climate change. The internationally agreed target to develop towards net zero economies in the coming decades (Paris Climate Agreement) implies potential transitional risks for companies that are not able to adopt climate-related policies and legal requirements, technological developments, market and reputational changes. It generates opportunities for companies in the fields of resource efficiency, energy sources and by developing new products/services, exploring new markets and generating competitive advantages with resilient business models. All these categories were analyzed as part of the DMA for the short-term (1 year), mid-term (5 years) and long-term (more than 5 years) to identify actual and potential risks and opportunities for Sulzer's business model, strategy and its operational setup.

The process for the identification and evaluation of risks and opportunities included a value chain assessment, external comparisons, internal and external expert interviews and workshops.

#### Risks and opportunities

Short-term, the availability of energy resources and volatility of energy prices could impact sourcing costs or lead to supply chain disruptions. Due to the localized nature of energy availability and a broad energy mix it is evaluated as only a moderate to low risk for Sulzer.

**Mid-term** policies and legal requirements, such as carbon pricing, enhanced reporting or public commitments increase the pressure for Sulzer to reduce its emissions in all scopes and invest in its capacity to comply with obligations. A failure to address this climate change mitigation adequately may harm Sulzer's reputation. The reliance on fossil fuels, such as natural gas in production, is associated with potential, but very moderate risks of energy supply instability or increasing operational costs due to regulatory changes. Due to its global manufacturing footprint, these potential risks can be balanced.

Sulzer turns the identified risks into opportunities by implementing energy-efficient technologies and processes that reduce emissions. This directly leads to reduction of operational costs and improves profitability. Sulzer's commitment to energy efficiency in its own operations enhances its reputation and attracts investments. Products and services that support greenhouse gas emission reductions enhance Sulzer's brand reputation and open-up new markets. Sulzer benefits from increasing customer demand for sustainable solutions in all of its three target markets – Energy Security and Transition, Natural Resources and Process Industries – which drives revenues and profitable growth.

This prosperous outlook supports employer branding and attractiveness of Sulzer.

**Long-term**, an increase of climate-related hazards is generally expected by the scientific community. These hazards are related to temperature (e.g. heat waves, wildfires, cold wave/frost), wind (e.g. storms, hurricanes, tornados), water (e.g. sea-level rise, droughts, floods, changing precipitation patterns) and solid mass (e.g. soil erosion, soil degradation, landslides). The associated risks for Sulzer are potential supply chain disruptions and production downtimes. Due to the diversification of Sulzer's supply chain, its global manufacturing footprint and the inherent localized nature of disruptions and downtimes, the risk is evaluated as low. With regular assessments, Sulzer ensures resilience and awareness of possible changes. In the case of future re-assessment of the double materiality, potential changes will be considered.

## 2. Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning

With its strategy "Sulzer 2028" the company focuses on organic growth in three essential and structurally growing markets: Energy Security and Transition, Natural Resources and Process Industries.

Climate change is one important driver for these markets. The related risks and opportunities for the company are identified and incorporated in Sulzer 2028. The financial planning of Sulzer is aligned towards this strategy.

**Energy security and transition:** The expected increase of population and affluence globally implies an increasing need for energy. In parallel the environmental impact, especially related to climate change, needs to be reduced. This increasing need for energy and the reduction of environmental impact are both key drivers for this market. Sulzer contributes, for instance, with cleaner, efficient and better performing solutions, with life-time extensions and retrofits as well as with solutions for biofuels, energy recovery and storage.

**Natural resources:** The sustainable transformation relies on more natural resources and their clean processing, not less. Minerals and metals are needed for the energy transition and electrification, and Sulzer supports and benefits from an energy-efficient, less polluting sourcing and mining. Climate

change requires major investments to ensure water quality and availability. Sulzer contributes with better (waste-) water treatment and water purification.

**Process industries:** The demand for chemicals continues to increase, with a shift towards cleaner chemistry, lower ecological footprint, cost and energy efficiency. Sulzer supports its customers with these requirements and extends its offerings by carbon capture solutions, biofuel refining, processing of natural feedstock and chemical recycling.

### 3. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The climate scenarios provided by the IEA (International Energy Agency) and the IPCC (Intergovernmental Panel on Climate Change) are the two main standards for the analysis of a company’s resilience as required by TCFD. Sulzer decided to analyze the resilience of the organization’s strategy for two climate scenarios developed by the IEA, while also considering perspectives and assumptions by related IPCC scenarios.

Background: Since 1993, the IEA provides medium- to long-term energy projections. Using the IEA’s **Global Energy and Climate Model** as the principal tool, the IEA generates and publishes detailed long-term scenarios. In 2023, the IEA published three long-term model scenarios.

- **Net Zero 2050 scenario (NZE):**  
The NZE sets out a pathway to achieve net zero CO<sub>2</sub> emissions by 2050. It aims for the limitation of global warming to 1.5°C, in alignment with the Paris Climate Agreement.
- **Announced Pledges Scenario (APS):**  
The APS assumes all climate commitments made by governments and industries around the world will be met. It includes commitments that have been announced but not yet been backed up by real policies or tangible actions. The global warming is then expected to increase between 1.7°C and 2°C in this scenario.
- **Stated Policies Scenario (STEPS):**  
The STEPS reflects those policies that are in place. Differing from the APS, only announced commitments with real policies or concrete actions are included. The STEPS is therefore less ambitious than the APS. The global warming is then expected to increase between 2.4°C and 3°C. Without major changes, the STEPS reflects the projected scenario based on current developments.

Further information on the scenarios can be found on the website of the IEA ([www.iea.org](http://www.iea.org)).

Sulzer analyzed the resilience of its strategy against the most ambitious (NZE) and the projected (STEPS) scenarios. The analysis used the years 2030 and 2050 as key target dates as provided by TCFD. For the analysis of “Sulzer 2028,” the three target markets, Energy Security and Transition, Natural Resources and Process Industries, were assessed against the NZE and the STEPS.

The analysis covered potential impacts, risks and opportunities, as provided by TCFD, that are related to:

- major effects for the three target markets in general.
- policy and regulatory developments.

- Sulzer’s own operation and upstream value chain.
- customer and market development.

### Energy security and transition

In the **STEPS scenario**, continuous demand for oil and gas keeps fossil fuels predominant. Slight increases in CO<sub>2</sub> pricing will lead to moderate operational costs for Sulzer in countries with such a pricing scheme, especially in the European Union. Sulzer anticipates low climate risks for its own operations and along the value chain due to diversified operations and initiated energy-efficient practices. Customers seek more efficient solutions, offering opportunities for Sulzer to provide maintenance and services.

Under the **NZE scenario**, the IEA expects a shift from oil and gas over the coming decades to renewables, including solar and wind, though oil and gas, combined with carbon capture, will prevail. Sulzer accelerates emission reductions and collaborates with suppliers to mitigate supply chain risks. Customers seek partners for their transition, requiring innovative decarbonization solutions – that Sulzer already provides today.

The “Sulzer 2028” strategy focuses on providing cleaner, efficient solutions, life-time extensions, solutions for biofuels and processing of natural feedstock, energy recovery and storage. This includes solutions for more efficient and clean oil and gas. These offerings align with evolving needs under both scenarios, enabling Sulzer to capitalize on energy security and transition.

### Natural resources

In the **STEPS scenario**, climate change increases water scarcity, boosting demand for solutions addressing water availability and quality. The need for natural resources, such as metals and minerals, continues to grow. Sulzer experiences minimal operational impact and leverages opportunities in advanced water treatment and exploitation and processing of minerals and metals. Our diversified supply chain maintains a low climate risk.

Under the **NZE scenario**, there’s a strong push for minerals and metals exploration needed for electrification and the energy transformation. Policies promote resource circularity and greener solutions. Sulzer emphasizes energy efficiency and emission reductions, with customers prioritizing sustainable solutions.

Sulzer’s strategy in Natural Resources involves better water treatment and supporting energy-efficient, less polluting mining, positioning the company to meet these demands and support customer’s efforts.

### Process industries

In the **STEPS scenario**, chemical demand grows, emphasizing cleaner, efficient processes. Customers seek energy-efficient solutions due to rising CO<sub>2</sub> costs. Sulzer enhances operational efficiency and enables customer’s reduction of emissions.

In the **NZE scenario**, customers shift rapidly toward low-emission processes, adopting alternative or decarbonized energy sources. Sulzer accelerates emission reductions and collaborates with suppliers to decarbonize the supply chain, while supporting customers’ transitions.

Our strategy supports cleaner chemistry, lower ecological footprints, and energy efficiency. Sulzer extends offerings with carbon capture, biofuel refining and chemical recycling.

This analysis confirms that the “Sulzer 2028” strategy is resilient under both scenarios for all three end markets. Despite varying paces of change, the trends toward decarbonization or defossilization and demand for energy-efficient solutions align with Sulzer’s strategic focus. Sulzer’s expertise enables it to adapt, support customers and ensure profitable growth in both scenarios.

## Risk management

*Requirement: Disclose how the organization identifies, assesses, and manages climate-related risks.*

### 1. Describe the organization’s processes for identifying and assessing climate related risks

Sulzer’s overall risk management process, an essential part of our due diligence approach, is fundamental to both strategic and operational management. It is designed to be iterative, encompassing all relevant potential risks and to be integrated into every decision-making process. It includes the identification and assessing of climate-related risks for Sulzer to ensure a common approach to identifying and assessing risks for and within the organization.

The risk management process of Sulzer focuses on external and market risks, strategic risks, operational risks, compliance and financial risks to develop and update risk profiles across business units and group functions. Major trends in the risk environment are monitored for early warning signs. Climate-related physical and transitional risks, including their potential financial impact, are taken into account in this risk profiling.

For climate-related risks, the profiling is substantiated by a thorough double materiality assessment and the scenario analysis required according to the task force on climate-related disclosure (TCFD) described in chapter 2.3 above.

The structure of Sulzer’s risk management ensures systematic and comprehensive identification and analysis of risks. The risks are assessed in an enterprise risk management process plan and prioritized based on their probability and potential impact, including an assessment of the correlation between different risk scenarios.

### 2. Describe the organization’s processes for managing climate-related risks

Sulzer actively addresses identified risks to attain the targeted level of risk reduction, while prioritizing the treatment of risks based on their priority level. This prioritization is key to optimizing the cost-effectiveness of risk treatment methods. This approach applies for all risks, including climate-related risks.

The management has the duty to deploy strategies that either prevent, lessen or provide protective measures against these risks. Any risks that remain unmitigated despite these efforts are recognized as inherent business risks. Risks that have a minor impact are handled by Sulzer's operational management. In contrast, risks with a medium or significant impact fall under the purview of Sulzer's Executive Committee. Members of the Executive Committee are responsible for deciding on and executing the necessary risk mitigation measures within their respective areas of authority, ensuring these measures are both effective and current. For climate-related risks and opportunities, the responsibility lies with the Executive Chair of Sulzer, as described in the risk management chapter.

The efficacy of taken measures is routinely evaluated through internal assessments, aligning with Sulzer's strategic approach to risk management and opportunity development.

### **3. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management**

Sulzer's enterprise risk management system is led by the Group General Counsel. It involves a structured line reporting system across regions.

The Group General Counsel updates the Board of Directors and the Executive Committee on significant legal and compliance matters and legislative changes, informing them about potential legal and compliance risks, including climate-related risks.

The integration of the process for identifying, assessing and managing climate-related risks is ensured by a direct collaboration of the Group General Counsel and the Chief Sustainability Officer and their direct reporting line to the Executive Chair. The collaboration ensures consistency within Sulzer in terms of climate-related risk management and the development and implementation of Sulzer's climate mitigation strategy. At the management and operational levels, a close collaboration between compliance officers and ESH responsables ensures efficacy and consistency of measures for climate-related risk identification, assessing and mitigation.

## **Metrics and targets**

*Requirement: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*

### **1. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process**

The assessment of climate-related risks is part of Sulzer's overall risk management process, as described in chapter 3.1, concerning the identification of risks. The risk management process includes external and market risks, strategic risks, operational risks, compliance issues and financial risks.

Specifically for climate-related risks and opportunities, the process was substantiated by a thorough double materiality assessment. Distinguishing short-term, mid-term and long-term time horizons. The risks and opportunities were assessed according to their potential financial impact and the likelihood of occurrence.

## 2. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and related risks

Sulzer calculates its carbon footprint aligned to the requirements of the Greenhouse Gas Protocol (GHG Protocol). The emission categories of the GHG Protocol were evaluated and, if applicable, the related emissions for Sulzer in 2025 calculated.

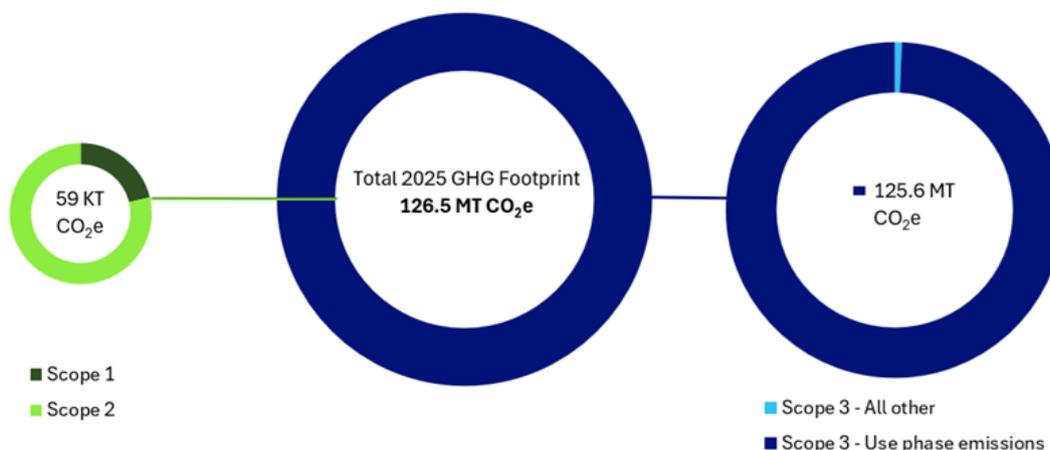
Following the GHG Protocol, the calculation distinguished between direct scope 1 emissions and indirect scope 2 emissions. Scope 1 emissions, primarily from direct fuel combustion in our operations and from company vehicles decreased by 17%, totaling 12.5 kt CO<sub>2</sub>e in 2025. Sulzer chose the operational approach and included emissions for leased assets in scope 1. Scope 2 emissions, resulting from purchased energy, mostly electricity, amount to 46 kt CO<sub>2</sub>e. The increase stems from fewer renewable energy certificates purchased. Sulzer aims to prioritize direct renewable energy sourcing with viable business cases in the coming years.

In 2025, the total Scope 1 and 2 GHG emissions intensity was 16.5 kt CO<sub>2</sub>e per million CHF, indicating an increase from 12.3 kt CO<sub>2</sub>e per million CHF in 2024.

Scope 3 distinguishes upstream and downstream emissions. The major upstream emission categories are purchased goods and services (category 3.1), business travel (3.6) and capital goods (3.2). Due to the business processes, the emissions resulting from the processing of intermediary products (category 3.10) are incorporated in category 3.1. Emissions for these categories are 695 kt CO<sub>2</sub>e (3.1 and 3.10), representing a 4% increase, 21 kt CO<sub>2</sub>e (3.6), which decreased by 15%, and 20 kt CO<sub>2</sub>e (3.2), reflecting a 17% increase, respectively.

Sulzer’s emissions predominantly arise from the use-phase of products in category 3.11, totaling approximately 125’593 kt CO<sub>2</sub>e. This represents a 40% increase due to higher sales in 2025. Another relevant category is the emissions related to the end-of-life treatment in category 3.12, with around 25.5 kt CO<sub>2</sub>e, which reflects an increase of 11%. The calculations do not distinguish between biogenic and non-biogenic emissions. The primary emission categories for Sulzer are associated with non-biogenic materials, mainly metals or fuel sources.

The following graph shows the emissions in accordance with the GHG Protocol categories for Sulzer in 2025:



### 3. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

The carbon footprint calculation for 2024 serves as the base year for defining and measuring reduction targets.

Sulzer keeps its defined reduction target of -30% by 2030 for Scope 1, 2 and selected categories of Scope 3 (fuel and energy-related activities (category 3.3), business travel (category 3.6)), and carbon neutrality by 2050.

Sulzer is striving to increase the efficiency of its products and reduce their emission and energy intensity. The reduction of use-phase emissions, however, largely depends on the global transition to renewable energy and the implementation of carbon capture technology for fossil energy sources. Any targets defined will be contingent on this transition.

In addition, Sulzer identified potential reduction levers and measures along the entire value chain. Upstream, the main lever lies with purchased goods and services: the use of circular materials, particularly metals, the emission reduction efforts of our suppliers and the gradual adoption of low-emission materials.

Ongoing efforts to improve efficiency and the progressive transition to renewable or emission-reduced fossil energy sources allow Sulzer to meet its emission reduction targets for its operations in a business-driven manner.

Downstream, in addition to the main focus on use-phase emissions, the recycling of materials helps reduce end-of-life emissions.