


Sulzer Global Compact Communication of Progress 2011

SR Sulzer Sustainability Report

QESH Quality, environment, safety, and health

ESH Environment, safety, and health

Statement of the CEO: Ongoing Commitment			
<p>Sulzer is a signatory of the United Nations Global Compact, endorsing its ten universal principles covering human rights, labor, the environment, and anti-corruption. Our core values and our Code of Business Conduct commit us to behave ethically in all our business activities and with our partners. We respect the people affected by our operations and comply with all relevant laws. The Sustainability Council on senior management level meets twice a year to review our sustainability performance. The council advises content and implementation of policies, and it identifies focus areas to manage sustainability issues. We collect sustainability data through a company-wide system, which helps us monitor and report our performance. As a board member of the UN Global Compact Swiss Network, we actively strive to further promote the active application of the ten UNGC principles.</p>			
			
<p>Ton Büchner, CEO</p>			
Principles	Fulfillment	Further Reading in the Sustainability Report (SR 2009)	Reference to GRI Index Sulzer
Human Rights			
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and...	The Sulzer Code of Business Conduct contains compliance-related topics, such as matters that concern antitrust, corruption, bribery, conflict of interest, international trade restrictions, environment, health and safety, fraud and accuracy of records, insider trading,	SR page 11 SR page 4 (targeted measures)	EC5, LA4, LA6 – 9; LA13 – 14, HR1 – 9, SO5, PR1 – 2, PR8
Principle 2: ...make sure that they are not complicit in human		SR page 11	HR1 – 9, SO5

rights abuses.	<p>employment, and human rights.</p> <p>Since 2003, all Sulzer employees worldwide sign an agreement in which he or she confirms to adhere to the Sulzer Code of Business Conduct. Certain managers—in particular the members of the Executive Committee, heads of the operational units, and compliance officers—are required to confirm their adherence on an annual basis.</p> <p>In 2010 the Sulzer Code of Business Conduct was revised and is publicly available in 17 languages. Due to the revision of the Sulzer Code of Business Conduct all employees received training and took part in an e-learning.</p>	<p>SR page 4 (targeted measures)</p> <p>http://www.sulzer.com/regulations</p>	
Labor Standards			
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;...	Sulzer builds on a long tradition of close and trustful cooperation with its social partners. To the extent permitted under the applicable law, Sulzer respects the freedom of association of its employees and their right to collective bargaining within the boundaries of the local law. Representatives of employees are neither favored nor discriminated.	<p>Sulzer Code of Business Conduct: http://www.sulzer.com/regulations</p> <p>SR page 20</p>	LA4 – 5, HR1 – 3, HR5, SO5
Principle 4: ...the elimination of all forms of forced and compulsory labour;...	Sulzer respects different cultural backgrounds and is committed to complying with all employment and labor laws including those related to the elimination of all forms of forced and compulsory labor including child labor and the prohibition against all forms of discrimination in employment under applicable laws.	Sulzer Code of Business Conduct: http://www.sulzer.com/regulations	HR1 – 3, HR7, SO5
Principle 5: the effective abolition of child labour; and...			HR1 – 3, HR6, SO5
Principle 6: ...the elimination of discrimination in respect of employment and occupation.	Sulzer offers equal opportunities to all employees regardless of national or ethnic origin, gender, or other differentiating characteristics.	SR page 19	EC7, LA2, LA13 – 14, HR1 – 4, SO5

	<p>Sulzer defined and introduced the three core values in 2008 and 2009 based on web surveys, focus group discussions, and management workshops. The values include that all people are to be treated with respect.</p> <p>Sulzer launched an employer branding initiative in 2009 to further improve its attractiveness as an employer. The employer brand promotes diversity.</p> <p>In 2010 Sulzer launched a corporate-wide initiative to promote diversity (in particular with regard to gender, culture and demography). For the next three years each division has defined its own key figures with highest priority to increase the number of female employees and the number of managers from emerging markets and, as a second priority, to increase the company's attractiveness for different generations (boomers, generation XY).</p> <p>In 2011 Sulzer will conduct an employee engagement survey which will deliver valuable insights into employee value propositions around the globe. This will enable to further enhance Sulzer's strong culture of diversity and inclusion.</p>		
Environment			
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;...</p>	<p>Sulzer is committed to sustainable development and strives to operate without eroding the livelihood base of future generations. The precautionary approach is part of Sulzer's policies. Throughout the company, the Code of Business Conduct and the QESH (quality, environment, safety, and health) policy outline Sulzer standards and encourage a higher level of environmental protection than legally required.</p>	<p>SR page 23</p>	<p>EC2, EN18, EN26, EN30, SO5</p>

<p>Principle 8: ...undertake initiatives to promote greater environmental responsibility; and...</p>	<p>Sulzer is committed to sustainable development and strives to operate without eroding the livelihood base of future generations.</p> <p>To ensure common standards at Sulzer locations worldwide, Corporate QESH has defined a set of minimal standards above legal compliance and best practices with which all sites must comply.</p> <p>Adequate management systems are essential to improving the environmental performance. The company has set the goal of certifying all production sites according to the ISO 14001 standard by the end of 2010. By the end of 2010, 59 sites covering 85% of all employees are externally certified according to ISO 14001. All production sites and relevant service sites (except one) are certified against ISO 14001 since 2010; the newly acquired sites at Sulzer Metco and Sulzer Turbo Services are not included in this figure, the integration process is ongoing and the inclusion in the sustainability database and the environmental management system has started.</p> <p>Regular audits ensure that environmental requirements are being met. In 2010, the corporate QESH department conducted around 20 internal ESH audits. A global network of around 200 QESH officers ensures that QESH initiatives are continuously implemented, monitored, and improved. The local QESH officers receive regular training in answering employee questions and in training other employees.</p>	<p>SR page 4 (targeted measures) SR pages 23–25 SR case studies pages 24–25 SR data section pages 32–33</p> <p>For the status of certification, please refer to: http://www.sulzer.com/en/desktopdefault.aspx/tabid-3883/</p> <p>For general information regarding the assessment: http://www.sulzer.com/en/desktopdefault.aspx/tabid-3882/7408_read-19038</p>	<p>EN1 – 30, SO5, PR3 – 4</p>
<p>Principle 9: ...encourage the development and diffusion of</p>	<p>Sulzer offers sustainable and tailored solutions for performance-critical applications. They</p>	<p>SR page 17 SR page 24</p>	<p>EN2, EN 5 – 7, EN 10, EN 18, EN 26 –</p>

<p>environmentally friendly technologies.</p>	<p>increase the customers' competitive positions by increasing the eco-efficiency of the equipment and the total cost of ownership.</p> <p>Sulzer conducts studies on an ongoing basis to assess the environmental impact of its solutions. This process often involves close cooperation with customers: life-cycle assessments, environmental product declarations, and carbon dioxide emissions analysis over the entire product life cycle. Sulzer published the first Environmental Product Declarations based on international standards (ISO 14025, International EPD Cooperation) and audited by an independent third party in 2010. They cover the entire life-cycle of products (procurement, production, and usage) and also include costs and climate-related data. The EPDs are externally verified by Atkins Ltd, United Kingdom. Further EPDs will be created in 2011.</p> <p>Sulzer's energy-efficient solutions create value with combined economic and ecological advantages for a more sustainable world.</p> <p>The Sulzer Technical Review is the customer magazine of the Sulzer corporation. It is published periodically (three times a year) in English and German, as well as annually in Chinese. It informs about the latest developments, innovations and provides product information.</p>	<p>SR case studies pages 14–15, data section pages 32–33</p> <p>Four EPD's are published under: http://www.sulzer.com/epd and under the webpage of International EPD Consortium (IEC): www.environdec.com http://www.environdec.com/Epd-Search/?page=2&query=&category=6197</p> <p>Examples of energy-efficient solutions of all Sulzer divisions are published under: http://www.sulzer.com/focus</p> <p>Video "energy-efficient solutions for a sustainable future" can be found under: http://www.sulzer.com/en/desktopdefault.aspx/tabid-3265/6217_read-17594/</p> <p>The Sulzer Technical Review is available under: www.sulzer.com/str</p>	<p>27, EN30, SO5</p>
<p>Anti-Corruption</p>			
<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>The Sulzer Code of Business Conduct contains compliance-related topics, such as antitrust, corruption, bribery, conflict of interest, and international trade restrictions (see also</p>	<p>The Sulzer Code of Business Conduct is available under: www.sulzer.com/regulations</p>	<p>SO2 – 6</p>

	<p>principle 1). The Sulzer Code of Business Conduct is publicly available in 17 languages. All new employees conduct an e-learning for the Sulzer Code of Business Conduct.</p> <p>Further specification is given in the Sulzer Anti-Corruption and Anti-Bribery Guideline, which is in place since October 2009. In 2010 an e-learning for the employees took place and the guideline is part of the face-to-face trainings.</p> <p>To further strengthen the ability of recognizing and fighting any kind of corruption and bribery, a new corporate directive "Intermediaries Due Diligence" came into effect on May 1, 2011. The directive is available in nine languages. An e-learning took place for employees who work with intermediaries.</p>		
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