

DIRECTIVE

No. 2021.000094
Revision No. 0
Summary Within Sulzer it is strictly forbidden to pay bribes, irrespective of whether the recipient is a public official, private person or an employee of a private customer. High caution must be paid when using third parties.
Area Legal, Compliance
Approved by Frédéric Lalanne, CEO; Marcel Reinhard, Chief Compliance Officer & Deputy General Counsel
Effective Date 6/1/2022
Valid for Sulzer worldwide
Doc. Name anti_corruption_directive.docx
Replaces -
Pages 5
Language English
Issued by Group Compliance
Author Group Compliance

Anti-Corruption Directive

1 Purpose

It is the policy of Sulzer to maintain strict compliance with the Sulzer Code of Business Conduct and all applicable laws, including legislation regarding anti-bribery and anti-corruption, and to properly deal with any type of conflict of interest issues. The purpose of this Anti-Corruption Directive ("Directive") is to ensure full compliance by clarifying the relevant provisions and behaviors concerning all forms of corruption and bribery.

Within Sulzer it is strictly forbidden to pay bribes, irrespective of whether the recipient is a public official, private person or an employee of a private customer. In this regard Sulzer is committed to full compliance with all global anti-corruption laws, regulations and conventions. Sulzer expects every of its employees and business partners to comply with all anti-corruption laws worldwide. Failure to comply with Sulzer's Code of Business Conduct and this Directive could result in significant civil, administrative and criminal liability and other consequences for Sulzer, its management and the persons involved and give reason for disciplinary actions against such persons, including termination of the work or contractual relationship with Sulzer.

Sulzer's internal rules cannot address every possible scenario that relates to a corruption issue. Contact Group Compliance whenever you are in doubt.

2 Addressees

To all Sulzer employees worldwide.

3 Definitions

3.1 Corruption

Corruption is the generic term for any forms of bribery and corrupt practices and behaviors. Corruption means the abuse of power or authority for personal gain. Such practices are unlawful. It is not allowed to pay a bribe to, or receive a bribe from, any person (whether in the public or private sector), whether paid or received directly or indirectly. Anti-corruption laws may apply even if the promise or offering of an advantage does not induce a business partner to act in a particular way; the possibility for such behavior is sufficient. There may be no need for the bribe to be successful to be viewed as corrupt; the offering of it is enough to amount to a criminal offence.

3.2 Bribe or bribery

Bribery is broadly defined and understood as a direct or indirect offer or acceptance of any gift, loan, fee, reward or any other unjustified advantage to or from any person in order to obtain or reward favorable treatment in the conduct of one's business.

Active bribery is the offering, promising, giving or holding out the prospect of anything of value, whether financial or otherwise, with the objective of improperly influencing another person in order to obtain business or some other advantage.

Passive bribery is the counterpart of active bribery. It means the solicitation or acceptance of anything of value as an inducement or reward to act improperly in relation to the awarding of a business or any other advantage.

Bribes can include money, gifts, hospitality, entertainment, expenses, reciprocal favors, political or charitable contributions, or any direct or indirect benefit or consideration.

3.3 Public official

The definition of "public official" is extremely broad and includes

- any officer or employee of a government;
- an employee of a state-owned company or entity;
- any department, agency, or instrumentality thereof or
- any person acting in an official capacity for these entities.

Any member of an elected body (i.e. parliament, local governments and agencies, etc.) fall under the category of public official. Public officials also encompass employees of enterprises which are owned or controlled by a public body. Sulzer has many customers which fall under this category such as Petrobras, Gazprom, Pemex, Electricité de France, Saudi Aramco, Petrochina, etc.

4 Public and private bribery/corruption

4.1 Bribes to public officials and to individuals in the private sector

Sulzer strictly forbids paying bribes, irrespective of whether the recipient is a public official, a private person, an employee of a private customer or any third party. While the laws of many countries treat interactions with public officials differently from interactions with individuals in the private sector, bribery of individuals in the private sector are nevertheless a criminal offence in most countries where Sulzer operates in.

4.2 Bribes made to a relative or friend or an institution

Whether the illegal bribes are made directly to an individual or, on his/her behalf, to a relative, friend, or third party selected by him/her, makes no difference. Such benefits are considered as if they had been granted directly. The same applies to benefits made to institutions, including charitable organizations.

5 Use of third parties

5.1 Difference between making bribes oneself and using third parties

A bribe is a bribe whether or not a third party is used to facilitate the bribe. Whether the money or material advantage has been paid or granted using a third party such as an agent or consultant on behalf of Sulzer, or whether an employee of Sulzer has paid the bribe directly makes no difference. Both behaviors violate Sulzer's Code of Business Conduct and anti-corruption laws and regulations. Always be very careful when using third parties (see also 5.2).

5.2 Responsibility in dealing with third parties

It is important to know the third party that is dealt with and to carry out a thorough documented background check of each potential business partner as part of the selection process. Detailed information about the potential business partner's financial standing and commercial and technical competence shall be obtained to ensure its business integrity. Engagement of third parties must never be used to create an incentive, or to reward or to secure any improper business advantage for Sulzer. Further details are set forth in the Sulzer Intermediaries Directive (No. 2015.000017).

6 Facilitating payments

Facilitating payments are minor payments (in cash or similar kind) to a public official or other authority (e.g. customs, police), for "routine governmental action" in order to expedite performance of duties of non-discretionary nature.

In most countries, facilitating payments are considered as a particular form of corruption so that Sulzer does not allow any such payments. Further details are set forth in the Sulzer Receiving and Offering Gifts and Hospitalities, Facilitation Payments Directive (No. 2015.000043).

7 Gifts and hospitalities

7.1 General provisions

If offering or receiving gifts and hospitalities is ordinary and customary in certain regions or countries in which Sulzer conducts business, then such activity may be permitted provided that the offering, providing or receiving of gifts and hospitalities to or from public officials or private persons serves a legal and legitimate purpose such as the creation of general goodwill or the building of a business relationship. Such offering, providing or receiving must always be properly documented. Permissible gifts and hospitalities must be of reasonable and limited value taking into consideration the local laws, industry standards and the position and circumstances of the recipient. However, it is under no circumstances permitted to accept or offer cash or cash equivalents. Gifts or hospitalities shall never be provided as an attempt to influence the decision making of the recipient in an undue manner or to obtain or retain an improper advantage. In case of doubt, always consult Group Compliance and/or your supervisor.

The Sulzer Receiving and Offering Gifts and Hospitalities, Facilitation Payments Directive (No. 2015.000043) contains more detailed provisions dealing with gifts and hospitalities.

7.2 No unlawful gifts or hospitalities to public officials

Gifts and hospitalities offered to public officials are of very sensitive nature and should only be made in exceptional cases and provided that this is not prohibited by law. If allowed under the applicable law, such gifts and hospitalities must be modest in value and not made at times when a decision of the recipient or his/her department is imminent. Prior approval is required.

Examples:

- Paying the bill for a lunch during negotiations with a public customer in a nearby moderately priced restaurant.
- If the public customer sends his experts for inspection, and the contract stipulates that all costs for the inspection have to be paid by the supplier, you will have to pay reasonable travelling and lodging fees as agreed in the contract. But be prudent with leisure time events. To show them a nearby landmark during the weekend may be acceptable but inviting them to a weekend city trip including expensive travelling is not allowed.

8 Donations and sponsorships

8.1 Charitable and political donations

A donation is a gift that may take various forms, typically given for charitable purposes and/or to benefit a cause, without the expectation of a return or benefit. In addition to political donations, donations to charitable or other not-for-profit organizations may also be intended or used as a means of gaining undue influence over the decisions of individuals associated with such organizations. Also, any public sector or political donation can imply a political affiliation. Public sector and political donations are therefore a particularly sensitive area. Charitable or political donations may be made for altruistic reasons, but not for any business purpose. Prior approval is required. Further details are set forth in the Sulzer Memberships and Contributions Directive (No. 2015.000038).

8.2 Sponsorships

Sponsorship refers to the support of an event, activity, person or organization by financial means or through the provision of products or services, that is provided with the expectation of a commercial return. Caution is advised especially if the sponsorship involves paying money or providing other benefits to individuals. Caution should also be exercised in situations where the sponsor receives special favors or concessions for the sponsored event, or where such benefits could be used for the purposes of corruption. Any public sector or political sponsorship can imply a political affiliation. Public sector and political sponsorships are therefore a particularly sensitive area. Prior approval is required. Further details are set forth in the Sulzer Memberships and Contributions Directive (No. 2015.000038).

9 Rules of conduct

All Sulzer employees must be truthful, accurate and ethical in their dealings with public officials and individuals acting on behalf of, or employed by, state-owned companies or private sector entities and familiarize themselves with local laws in the countries in which they conduct business.

All Sulzer employees must not engage in corrupt practices. Breaches of this Directive 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.

9.1 Suspecting or witnessing bribery/Non-retaliation

If any Sulzer employee encounters any instance of bribery or corruption or an equivalent activity, they should not take any precipitate action, but seek to delay the matter in relation to the other party. Any Sulzer employee who suspects or witnesses an instance of bribery or breach of this Directive must report the matter as soon as possible. Employees will not suffer any detrimental treatment by reporting a (suspected) breach of this Directive. Line managers or colleagues may not discriminate or take retaliatory measures against Sulzer employees who have discharged their obligation to report any such instances in good faith.

9.2 Reporting options

A Sulzer employee can report a potential issue to:

- The line manager
- A Regional or Local Compliance Officer
- Group Compliance
- www.sulzercompliancehotline.com (anonymous reporting possible, online or via phone)

10 Effective Date

This Directive is valid as of August 1, 2022.

Signatures

A blue ink signature of Frédéric Lalanne, consisting of a stylized 'F' and 'L'.

Frédéric Lalanne
CEO

A blue ink signature of Marcel Reinhard, written in a cursive style.

Marcel Reinhard
Chief Compliance Officer & Deputy General Counsel