

P Sustainability and Health, Safety & Environment (HSE) Policy

Date of issue:	January 1, 2022
Issued by:	Sustainability Management Team (SMT)
Status:	Approved by BoD on December 15, 2021
Replaces the following document:	P HSE Health, Safety & Environmental Sustainability dated February 24, 2016
Document Owner:	Chief Sustainability Officer

Table of Contents

I. Scope of Application	1
II. Purpose.....	1
III. Content	2
IV. Corporate responsibility governance	4
V. Reporting and measurement.....	4

I. SCOPE OF APPLICATION

Oerlikon’s policy on Sustainability, Health, Safety and the Environment (Sustainability & HSE) applies to OC Oerlikon Corporation AG, Pfäffikon and all its direct and indirect subsidiaries (together “Oerlikon” or the “Group”). All Oerlikon companies, suppliers and joint ventures under Oerlikon’s operational control must manage Sustainability & HSE in line with Oerlikon’s commitment and policy.

II. PURPOSE

The Group’s sustainability framework, together with its strategy, puts its vision and mission into action and together they show how Oerlikon believes that profits and purpose can work together to deliver long-term sustainable value for all its stakeholders, customers, investors, employees and the society.

This Policy is the overall statement of intent of the Group concerning Sustainability, Health, Safety and Environment.

All functions at all levels of the Group shall operate within the framework of this Policy.

Oerlikon’s Sustainability & HSE policy is underpinned by Oerlikon’s Code of Conduct, topic-specific policies, directives and guidelines issued by Oerlikon. The Code of Conduct covers key areas of how the Group, its employees and suppliers must act/ behave and ensure compliance with these standards in their business operations. The Policy is further supported by relevant aspects of the Group’s commitment to sustainability, health, safety, environment, internal group requirements and guidance.

III. CONTENT

Sustainability is a cornerstone of Oerlikon's foundation for pursuing long-term growth. It is built into the Group's strategy that drives its innovations and operations to serve stakeholders' needs. Everything Oerlikon does is intrinsically linked to conservation and the smart use of resources, and the Group has a track record in converting these values into market solutions. Oerlikon's overarching goal is to empower customers and its own operations to increase efficiency and productivity, optimize usage of resources, lessen energy and water consumption and reduce waste.

Oerlikon recognizes the need to put its expertise into action not only for the environment but also for employee wellbeing and social justice. Alongside protection of the environment, the health and safety of its employees, diversity, human rights and other social and ethical topics are also part of Oerlikon's sustainability strategy and top priorities at Oerlikon. To underscore Oerlikon's commitment to sustainability, the Group has put in place a governance structure – with commitment from the highest governing bodies – and processes to establish, drive, monitor and control the definition and execution of the sustainability strategy, programs and actions.

Oerlikon's Sustainability & HSE **ambitions** are to:

- Affirm Oerlikon's responsibility as a caretaker of global ecosystems and a champion of sustainability.
- Support countries' progress toward achieving the United Nations SDGs, particularly in the areas in which Oerlikon can make the greatest impact through its products, services and operations.
- Minimize the environmental impact of Oerlikon's products, solutions and services over the entire lifecycle and along the value chain (direct and indirect customers).
- Create a company in which equal treatment, fairness, diversity, equity and inclusion are understood and practiced by all employees.
- Ensure "Zero Harm to People", i.e., employees, contractors, suppliers, visitors, and the community. Oerlikon believes that all injuries, occupational illnesses, and diseases can be avoided.
- Hold itself to the highest standards of governance in its economic, environmental and societal performance and compliance with laws, regulations and corporate policies.

Oerlikon's **commitment** in Sustainability & HSE is to:

- Eco-design and develop safe products, services and solutions for reducing consumption of energy and natural resources of Oerlikon's customers.
- Provide customers with legally-compliant and industry-standard safe products including in the products' packaging, transportation, handling and safety documentation.
- Embrace a circular economy approach and responsible procurement and manufacturing in Oerlikon's product lifecycle management and operations through conscious sourcing, more recycling and less waste generation.
- Achieve operational excellence on emission reduction, particularly of CO₂, and optimize consumption of scarce resources e.g., energy and water at all Oerlikon sites.

- Implement industry-leading ethical and social policies, programs and actions including in the areas of human rights, anti-discrimination, diversity, equal opportunities, community services, etc.
- Consistently exercise strong corporate governance in adhering to and in compliance with laws, regulations, policies, directives and guidelines.
- Promote ecological and health-conscious behavior.
- Provide a safe and healthy working environment for all direct and indirect employees.

Oerlikon strives to **fulfill** its Sustainability & HSE commitments by:

- Instilling a relentless focus on sustainability (environmental, social and ethical) in Oerlikon's culture and operations.
- Capitalizing on opportunities to put Oerlikon's expertise into action for the environment to drive new levels of achievement in terms of emissions, consumption and wastage reduction.
- Playing an active role in speaking out on behalf of social justice.
- Developing and running programs and events to increase awareness and facilitate the understanding and practice of diversity, equity and inclusion.
- Ensuring fair, ethical and socially responsible behavior and actions in Oerlikon and along its supply chain in compliance with its Supplier Code of Conduct.
- Putting in place actions, initiatives and measures to achieve Oerlikon's defined sustainability targets.
- Partnering, listening to and working hand-in-hand with Oerlikon's stakeholders to engage in informed, intelligent ongoing process improvement to uphold optimal governance, social, environmental and sustainability standards.
- Continually improving Oerlikon's HSE performances to meet or exceed legal and Oerlikon's HSE requirements.
- Assessing and managing all sustainability and HSE risks.
- Working systematically through applying the parameters, processes and tools defined by the Group-wide, Division and local HSE directives and guidelines, and within the scope of a HSE management system.
- Providing relevant training to Oerlikon's employees.
- Regularly and effectively performing governance and compliance reviews, and conducting sustainability and HSE reporting and controlling.

Everyone at Oerlikon **plays a role** in Sustainability & HSE:

- Every employee is responsible for ensuring sustainability, health & safety and environmental actions and measures as part of their daily work and operations.
- Managers at all levels visibly lead the way.
- Oerlikon's subject matter experts from functions, including HR, procurement, investor relations, communications, marketing, R&D, compliance, legal, tax, data privacy, HSE, etc., support the Group-wide implementation and monitoring of their area-specific sustainability and/or HSE topics.
- Sustainability & HSE are essential and critical aspects for Oerlikon and endorsed by the Group's Board of Directors and Executive Committee.

IV. CORPORATE RESPONSIBILITY GOVERNANCE

Sustainability & HSE at Oerlikon are integral parts of Oerlikon’s corporate culture and behavior as anchored in Oerlikon’s Code of Conduct and the Success Model. As such, Sustainability & HSE is endorsed and overseen by the highest governing body of the company – the Board of Directors. A dedicated Chief Sustainability Officer (CSO) is a member of the Executive Committee (EC), reporting to the Group CEO, and works with other EC members to provide leadership and direction on the sustainability strategy.

Led by the CSO, the Sustainability Management Team (SMT) works closely with the Divisions and Group functions in executing the sustainability strategy, rolling out programs and action plans and increasing dialogue and awareness with stakeholders. The SMT consists of members who represent key sustainability areas – operational sustainability and environment (Environment), Health & Safety (Social), legal (Governance and Compliance), HR (Social), communications and investor relations.

To ensure a close link to the operational part of the business and a full commitment from management, Oerlikon’s Sustainability organizational framework encompasses members of the strategic, operative and business level. Further, each employee is responsible, on an individual level, for upholding the Sustainability & HSE principles and line management is responsible for ensuring alignment in business activities and processes within their area of responsibility.

Sustainability Governance Framework



V. REPORTING AND MEASUREMENT

Oerlikon divisions and relevant functions contribute and support Oerlikon in the execution of its sustainability strategy and in achieving its sustainability targets. Sustainability target owners are responsible to report on progress regularly, at least annually alongside the publication of the Sustainability Report, to the Sustainability Management Team.

Oerlikon reports annually on Sustainability & HSE metrics in the Sustainability Report and on its website (www.oerlikon.com). The report is prepared in compliance with the internationally recognized GRI standards and underlines the company’s commitment to contribute to the United Nations Sustainable Development Goals (SDGs) where Oerlikon can make a meaningful impact.