



2023 Sustainability notes with GRI index

Sustainability notes including GRI content index

Alfa Laval's Sustainability Report 2023 consists of sustainability disclosures in the Annual Report 2023 and supplementary information in the below Sustainability Notes. Alfa Laval reports in accordance with the GRI Standards and the GRI statement of use and content index are found on page 10–13 in this document.

Sustainability notes

The sustainability notes consist of sustainability information that supplements the disclosures in the Annual Report. The aim of these notes is to ensure complete sustainability reporting according to the GRI Standards.

The supplementary information regarding material aspects is structured according to Alfa Laval's sustainability target areas – climate, circularity, caring and committed – and divided into topics according to the GRI. Please note that not all target areas and corresponding material topics have supplementary information in these notes, some are fully reported in the Annual Report. Economic Performance has been removed as a material topic from the Sustainability Report, as this is well addressed in other parts of the Annual Report. Certain GRI topical indicators that do not directly correspond to Alfa Laval material sustainability topics have also been removed.

Environmental data disclosed in the annual report (AR) and in the Sustainability notes (SN - these notes), such as waste, water and energy are reported at the site level and collected through Alfa Laval's sustainability data reporting tool. Data is consolidated based on operational control. The data has been compiled based on invoices or physical meters following the financial year. All operations, service centres and large offices are required to report environmental and health & safety data. Employee data covers all Alfa Laval branded companies reporting through our human resources system, corresponding to about 85 percent of total Alfa Laval employees.

Note 1. General disclosures

1.1 Entities included in the sustainability report (GRI 2-2).

a) Alfa Laval's sustainability reporting for 2023 provided in the Annual Report and in the Sustainability Notes on alfalaval.com covers the parent company (Alfa Laval AB) and its subsidiaries which constitutes the Alfa Laval Group with the exceptions listed below.

b) In the sustainability report, the included companies have been restricted to:

- All operation and service centre sites must report energy, waste, chemicals, water and health & safety data.
- Large offices (> 25 employees) must report energy, waste, chemicals, water and health & safety data.
- Field-service sites must report health & safety data but do not have to report any other type of data.
- Non-Alfa Laval brands are currently not included in employee diversity disclosures.

c, ii) In 2023 year's report, Desmet, Scanjet, Bunker Metrics are excluded. These are new acquisitions 2023 and will be added in the sustainability reporting latest within three years.

1.2 Reporting period, frequency and contact point (GRI 2-3).

Reporting period: January 1 to December 31. The Alfa Laval Sustainability Report (including information in the sustainability section in the Annual Report and these Sustainability Notes) is published annually in April.

1.3 Restatements of information (GRI 2-4).

CO₂ emissions

Scope 1: Added emissions in 2020-22 for company cars that were previously excluded due to oversight. Emissions increased by approximately 1,800 tons CO₂e per year.

Scope 3, category 2, Capital goods: Added emissions for 2020-21 and updated for 2022 using average spend-based method. Emissions for 2022 increased by approximately 16,000 tons CO₂e.

Scope 3, category 6, Business travel: Using more accurate emissions data for 2023 as proxy also for 2020-2022. Emissions increased on average by 20,000 tons CO₂e per year.

Scope 3, category 11, Use of sold products: Data for 2020-22 corrected (previously included avoided emissions for some business units). Emissions increased by 13 Mtons CO₂e (2020), 12 Mtons CO₂e (2021), and 16 Mtons CO₂e (2022).

Other information

Waste recycled: Reporting vs. waste target 2020-23 limited to operation sites included in 2020 baseline instead of all sites, resulting in a slightly higher recycling percentage annually.

1.4 External assurance (GRI 2-5).

Alfa Laval's Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report. Alfa Laval seeks external assurance of the Sustainability Report including the Statutory Sustainability Report. The assurance provider is the company's external auditors Ernst & Young, elected at the Annual General Meeting. The Auditor's Limited Assurance Report is published in the Annual Report.

1.5 Activities, value chain other business relationships (GRI 2-6).

d) No significant changes compared to the previous reporting period.

1.6 Employees (GRI 2-7).

Headcount per December 31, 2023*	Asia	Central & Eastern Europe	Latin America	Nordic	North America	Western Europe	Other	Total
Number of employees	5 405	735	672	6 403	1 287	2 557	151	17 210
Number of temporary employees	59	10	42	516	8	164	8	807
Number of permanent employees	5 346	725	630	5 887	1 279	2 393	143	16 403
Number of full time employees	5 402	723	631	6 123	1 273	2 388	149	16 689
Number of part-time employees	3	12	41	280	14	169	2	521

*Data includes Alfa Laval branded entities only.

Headcount per December 31, 2023*	Female	Male	Non Disclosed	Total
Number of employees	3 806	13 375	29	17 210
Number of temporary employees	286	520	1	807
Number of permanent employees	3 520	12 855	28	16 403
Number of full time employees	3 543	13 118	28	16 689
Number of part-time employees	263	257	1	521

*Data includes Alfa Laval branded entities only.

d) Alfa Laval employs the vast majority of its workers on permanent and full-time basis due to the high skill nature of work in most parts of the company. Temporary employments are applied in some countries during probation period, for leave coverage and in fewer instances as the position is only required in a specific time limited capacity. Many of these employments are part of our Nordic operation. Furthermore, in China the distinction between permanent and temporary are not as clear as in other regions and for reporting reasons are indexed as temporary although having a long-lasting employment relationship with the company.

Part-time employment is offered to employees where this is a wish and the company can accommodate or where this is a statutory right. Alfa Laval does not typically employ workers with non-guaranteed working hours and there is no consolidated information on this.

e) The number of employees increased from 2022 to 2023, but there were no other significant fluctuations during the reporting period.

1.7 Role of the highest governance body in overseeing the management of impacts (GRI 2-12).

The highest governance body (Board of Directors) sets the overall direction for the company, including deciding on the sustainability strategy and targets proposed by Group Management that address material impacts. The Board regularly reviews the company's sustainability performance and evaluates the effectiveness of processes to manage material sustainability impacts. Apart from shareholders, the Board does not normally directly engage with stakeholders on sustainability impacts, but is informed by management about key aspects of such stakeholder engagement that takes place throughout the year.

1.8 Delegation of responsibility for managing impacts (GRI 2-13).

Group Management coordinates and different internal forums work with focus areas from the sustainability strategy on behalf of the Board.

A number of these focus areas are coordinated through Group Sustainability under the Senior Vice President & Chief Legal Officer/ Head of Group Affairs, who is also the Secretary to the Board and keeps the Board continuously updated on developments affecting the company's sustainability management and performance. Other focus areas are coordinated through corporate functions such as Human Resources and Global Sourcing. Responsibility for the day-to-day management of sustainability impacts is delegated to the leadership teams of the divisions and business units.

1.9 Communication of critical concerns (GRI 2-16).

a) Critical concerns are raised to the Risk and Compliance Board (RCB) where members of Group Management are present. At times between RCB meetings, Senior Vice President & Chief Legal Officer represents the RCB. Senior Vice President & Chief Legal Officer is also a member of the Group Management. Group Management decides if the concern is to be raised to the Board or not.

b) There were no (0) critical concerns communicated to the Board of Directors during the reporting period.

1.10 Collective knowledge of highest governance body (GRI 2-17).

a) The Board of Directors receives information from internal experts, makes site visits and attends external meetings and conferences on sustainability-related issues. The Board is regularly updated by members of Group Management and vice presidents of group functions on relevant sustainability topics pertaining to Alfa Laval's sustainability strategy and performance.

1.11 Evaluation of the performance of the highest governance body (GRI 2-18).

a) The Board evaluates its work through a yearly survey. In the survey performance regarding sustainability including environmental and social aspects are included. Safety and anti-corruption are other examples on what is included in the evaluation.

c) In response to the yearly survey (see 2-18 a) answers from previous years, on how the company works with risks (including crisis management and whistle blowing) has been lifted to the Board.

1.12 Remuneration policies (GRI 2-19).

Remuneration policies for the Board of Directors and Group Management are disclosed in the Annual Report. These policies do not currently include remuneration based on sustainability-related performance or attainment of specific sustainability targets.

1.13 Annual total compensation ratio (GRI 2-21).

This information will be disclosed in the executive remuneration report published on alfalaval.com

1.14 Policy commitments (GRI 2-23).

a, i and b, i) The Alfa Laval Business Principles were first published in 2003 and revised in 2012 to incorporate the 2011 "Protect, Respect and Remedy" concept of the United Nations Guiding Principles on Business and Human Rights, and the 2011 revision of the OECD Guidelines for multi-national enterprises. The revision made in 2017 incorporated the concepts in the 2015 UK Modern Slavery Act. The Business Principles are approved by the Alfa Laval Board.

a, iii) Applying the precautionary principle is part of what the Business Principles stipulates. By educating in the Business Principles, we also ensure precautionary measures. The environmental policy stipulates that a precautionary approach should be taken to environmental challenges. Most major operation sites are working in accordance with ISO 14001 which requires a precautionary approach to environmental management.

a, iv, and b) The Business Principles stipulate respecting human rights: "We have a firm commitment to act responsibly and respect human rights." (Tom Erixon, CEO).

b, ii) Our Business Principles audits highlight six critical areas: child labor, young labor, forced labor, freedom of association, health and safety, fire protection and environment. We consider all stakeholders are equally important with regards to respecting human rights.

c) Our policy commitments can be found here: alfalaval.com/about-us/sustainability/a-matter-of-trust/

1.15 Embedding policy commitments (GRI 2-24).

a, i, ii) The accountability to implement the commitments lies with each Business Unit. Group Sustainability leads and facilitates.

iii) How Alfa Laval implements its commitments is described in the Business Principles. For instance, as an employee, you should "Apply these Business Principles in the daily work and take personal responsibility for complying with them." As a manager, you should: "Lead by example" and "Ensure that your team is trained regularly".

a, iv) Through training in the Business Principles and information on the intranet.

1.16 Processes to remediate negative impacts (GRI 2-25).

It is always possible to communicate grievances through contact information on alfalaval.com and to local sites. When larger changes of facilities and/or operations are planned, communication with local and other stakeholders is ensured through standardized processes required by national laws and local authorities.

Most major operation sites are certified according to ISO 14001, and thus have processes in place to comply with the ISO 14001 requirements regarding complaints to be answered promptly and clearly - seeing this input as an opportunity for improvement of the environmental management system - and requirements on management review, including "relevant communication(s) from interested parties, including complaints".

1.17 Compliance with laws and regulations (GRI 2-27).

Legislative compliance ensures our business legitimacy. No significant fines or non-monetary sanctions regarding environmental or socio-economic performance have come to Alfa Laval's attention during 2023.

1.18 Membership associations (GRI 2-28).

Alfa Laval is a member of Teknikföretagen (the Association of Swedish Engineering Industries), International Chamber of Commerce (ICC) Business Sweden, Long Duration Energy Storage Council, Hydrogen Council.

1.19 Collective bargaining agreements (GRI 2-30).

a) Our Business Principles stipulate that all employees shall be free to form and to join trade unions or similar external representative organizations and to bargain collectively. The coverage varies from country to country. Globally, approximately 52% of employees are covered by collective bargaining agreements.

Note 2. Climate

2.1 Greenhouse gas (GHG) emissions (GRI 305-1, 305-2, 305-3).

CO ₂ emissions (tons CO ₂ e)	2020	2023
Scope 1	21,612	16,282
Scope 2 (market-based)	23,027	5,082
Scope 2 (location-based)	65,534	50,071
Scope 3	41,855,905	44,554,244

1) No gases other than CO₂ were included in the calculations, as emissions of CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ are negligible in all scopes.

2) Alfa Laval uses energy derived from biomass at certain sites, but we do not presently have accurate calculations of these emissions.

3) 2020 has been chosen as base year, as 2020 is the first year of Alfa Laval's sustainability target period 2020-2023. Base year emissions have been recalculated for scope 1 and scope 3, see Note 1.3.

4) Emission factors come from databases maintained by IEA and Defra, national residual mix, and from local energy suppliers.

5) Data was consolidated based on operational control. For information on the overall data collection and consolidation approach please see page 2.

Scope 3 emissions by category

	Scope 3 emissions 2023	tons CO ₂ e	Method description
Upstream	Category 1: Purchased goods and services	605,623	Average data method. Emission factors from Defra.
	Category 2: Capital goods	62,110	Spend-based method. Emission factors from Defra.
	Category 3: Fuel- and energy-related	17,150	Average data method. Emission factors from Defra (spend-based) and IEA for T&D losses.
	Category 4: Upstream transport	48,308	Distance-based method. Data from forwarder reports.
	Category 5: Waste	2,203	Waste-type-specific method
	Category 6: Business travel	26,443	Distance-based method. Data from Alfa Laval travel management system.
	Category 7: Employee commuting	27,717	Average data method. Calculated using 1.3 CO ₂ ton per employee. Estimation based on employee surveys.
	Category 8: Upstream leased assets	EXCLUDED	Company cars are included in scope 1, no other leased assets upstream. Leased facilities are included in our scope 1 and 2.
Downstream	Category 9: Downstream transport	9,662	Distance-based method. Estimated as 20% of Category 4.
	Category 10: Processing of sold products	EXCLUDED	N/A in our business model.
	Category 11: Use of sold products	43,749,138	Direct use-phase method. Gross life cycle energy consumption of sold products in fiscal year multiplied with emission factors from IEA and Defra.
	Category 12: End-of-life treatment of sold products	5,889	Waste-type-specific method. Using sourced weight as basis. Split between incineration, recycled and landfill.
	Category 13: Downstream leased assets	EXCLUDED	N/A in our business model.
	Category 14: Franchises	EXCLUDED	N/A in our business model.
	Category 15: Investments	EXCLUDED	Emissions from our minority ownerships is negligible.

Note 3. Circularity

3.1 Energy consumption (GRI 302-1).

Consumption of non-renewable fuel includes the consumption of light oil, heavy oil, liquefied petroleum gas and natural gas. Consumption of renewable fuel includes the consumption of biogas. Electricity consumption includes both the consumption of purchased electricity and the consumption of self-generated electricity (solar power) which accounts for 2 percent of the total electricity consumed. Energy used in vehicles that are owned or controlled by the organization is not included in the figures below. Alfa Laval does not sell any significant (>1%) amounts of electricity, heating, cooling nor steam. Data is collected from sites on a quarterly basis from invoices and meter readings. Generic conversion factors for fuels and local units of measurement are applied automatically in the Alfa Laval sustainability reporting tool.

Energy consumed 2023	MWh
Non-renewable fuel consumption	55,706
Renewable fuel consumption	2,800
Heating consumption	25,898
Electricity consumption	216,718
Cooling consumption	25
Steam consumption	526
Total energy consumed	301,673

3.2 Water and effluents (GRI 303-1, 303-2, 303-3).

Interactions with water as a shared resource (303-1)

Alfa Laval's main production processes do not consume significant amounts of water, as most water is used in the testing of our products and in service procedures, returning to the environment after municipal wastewater treatment. To minimize possible water impacts caused by our own activities, Alfa Laval actively works on decreasing water withdrawals and increasing water efficiency using water recirculation systems in our operations and service centres. Effluent water is pre-treated as necessary before discharging to municipal wastewater treatment networks.

Alfa Laval strives to optimize the use of water in the most efficient manner in our business, and especially at our facilities located in water-stressed regions. We have set water targets for these areas where water scarcity is a concern. We have identified water-stressed areas by using the World Resources Institute 'Aqueduct Water Risk Atlas' tool. Sites are considered as water-stressed if their baseline water stress is classified as high or above according to this tool.

To address water-related impacts, Alfa Laval has set both short- and long-term targets to minimize water withdrawals in our facilities located in water-stressed areas. Moreover, our suppliers are assessed for risks of environmental impacts associated with production processes. Many of our products make a significant contribution to reducing the water use and environmental impact of our customers' industrial processes.

Alfa Laval's water targets are based on the assessment of material impacts. This assessment is performed together with stakeholders such as suppliers and the communities in which we operate, including universities and local governments.

Management of water discharge-related impacts (303-2)

Alfa Laval does not have any direct effluent discharges to systems other than local municipal wastewater treatment networks. All our sites are located in countries that have regulated wastewater treatment in place. We have not set any minimum standards for the quality of effluent discharge beyond adhering to local regulations.

All effluent is collected by third-party sources and treated following local regulations. Wastewater discharges to the municipal wastewater treatment network comply with effluent parameters thresholds from local authorities. In specific cases in which effluent parameters are above thresholds, effluent is first stored and then collected by qualified industrial wastewater treatment companies.

Water withdrawal (303-3)

Total water withdrawal 2023	ML
Third-party water:	678
Surface water:	45
Groundwater:	65
Water withdrawal (water-stressed areas) 2023	ML
Third-party water:	230
Surface water:	8
Groundwater:	16

Data is reported quarterly by Alfa Laval sites based on meter readings and invoices. All water withdrawn has less than 1,000 mg/L of total dissolved solids and is therefore considered freshwater. Alfa Laval does not use any seawater or produced water. Water-stressed areas were determined using the WRI 'Aqueduct Water Risk Atlas' tool. Currently Alfa Laval has 48 sites (based on geographic location) located in water-stressed areas (classified as high- and extremely high risk according to the 'Aqueduct Water Risk Atlas').

3.3 Waste (GRI 306-1, 306-2, 306-5).

Waste generation and significant waste-related impacts (306-1)

Most of Alfa Laval's products are made from metals which means that the majority of waste generated in terms of weight is recycled.

Packaging material from purchased products and materials and scrap from our operations and service centers are significant waste fractions at Alfa Laval sites. By reducing, reusing and recycling packing material and scrap, Alfa Laval aims to continuously decrease waste volumes.

Management of significant waste-related impacts (306-2)

Alfa Laval's waste is managed by certified waste management companies. Waste-related data is monitored and mainly provided by these companies. Alfa Laval has developed an internal waste guideline to improve sorting and classification of waste in order to take steps towards our long-term target of zero waste to landfill by 2030.

Waste directed to disposal (306-5)

During 2023, Alfa Laval generated 28,926 metric tons of waste, of which 19,350 tons (67%) were diverted from disposal and 9,576 tons (33%) were sent to disposal. All waste disposal occurs offsite.

Waste directed to offsite disposal by disposal operation*

Waste type	Tons
Hazardous waste	
Incineration (with energy recovery)	399
Incineration (without energy recovery)	212
Landfilling	153
Other disposal operations	2,592
Total	3,355
Non-hazardous waste	
Incineration (with energy recovery)	3,011
Incineration (without energy recovery)	182
Landfilling	3,028
Other disposal operations	0
Total	6,221

* No onsite disposal takes place at Alfa Laval; all waste is managed by certified waste management companies.

Note 4. Caring

4.1 New employee hires and employee turnover (GRI 401-1).

	2023
New employee hires	3,156
Of whom are women	908
Of whom are men	2,243
Of whom are under 30	1,663
Of whom are 30-50	1,273
Of whom are over 50	220
Asia	771
Central & Eastern Europe	142
Latin America	151
Nordic	1,394
North America	231
Other	31
Western Europe	436

Rate of new employee hires	18%
Of whom are women	29%
Of whom are men	71%
Of whom are under 30	53%
Of whom are 30–50	40%
Of whom are over 50	7%
Asia	24%
Central & Eastern Europe	4%
Latin America	5%
Nordic	44%
North America	7%
Other	1%
Western Europe	14%
Total number of employee turnover*	2,390
Of whom are women	591
Of whom are men	1,790
Of whom are under 30	958
Of whom are 30–50	928
Of whom are over 50	504
Asia	568
Central & Eastern Europe	111
Latin America	94
Nordic	1,009
North America	202
Other	27
Western Europe	379

*Turnover includes both temporary and permanent employees.

Rate of employee turnover	14%
Of whom are women	25%
Of whom are men	75%
Of whom are under 30	40%
Of whom are 30–50	39%
Of whom are over 50	21%
Asia	24%
Central & Eastern Europe	5%
Latin America	4%
Nordic	42%
North America	8%
Other	1%
Western Europe	16%

4.2 Average hours of training per year per employee (GRI 404-1).

Relevant training can have a significant positive impact on employees' career and personal development. Alfa Laval has established a learning strategy with the ambition to bolster employees' behaviour and performance with re-skilling and up-skilling various competencies and capabilities through appropriate learning solutions.

The starting point for selecting appropriate training is the performance development dialogue that every Alfa Laval employee has with their manager each year. A large number of global and local trainings are made available through a learning portal accessible by all employees via the intranet. In addition, the Alfa Laval Academy has dedicated faculties developing training programs for specific employee groups, focusing on products and applications, leadership and sustainability.

Alfa Laval monitors the number of training hours undertaken by employees during the year but there is no quantitative target in place.

	Total hours	Employees	Average
Women	41,157	3,806	10.81
Men	149,544	13,375	11.18
Managers	31,425	2,299	13.67
Employees	159,613	14,911	10.70

4.3. Diversity of governance bodies and employees (GRI 405-1).

	2023
Board of Directors	11
Of whom are men (%)	82%
Of whom are women (%)	18%
Of whom are under 30 (%)	0%
Of whom are 30–50 (%)	0%
Of whom are over 50 (%)	100%
Group management	9
Of whom are men (%)	78%
Of whom are women (%)	22%
Of whom are under 30 (%)	0%
Of whom are 30–50 (%)	33%
Of whom are over 50 (%)	67%
Managers (excl. group management)	2,290
Of whom are men (%)	78%
Of whom are women (%)	22%
Of whom are under 30 (%)	2%
Of whom are 30–50 (%)	67%
Of whom are over 50 (%)	31%
Employees (excl. managers)	14,911
Of whom are men (%)	78%
Of whom are women (%)	22%
Of whom are under 30 (%)	20%
Of whom are 30–50 (%)	54%
Of whom are over 50 (%)	26%

4.4 Occupational health and safety (GRI 403).

Occupational health and safety management system (403-1)

After conducting a corporate risk analysis, Alfa Laval has identified priorities to ensure a safe working environment for all employees. Alfa Laval's Health & Safety Policy and directives define principles and rules to achieve a better working environment, requiring that workplaces have high standards for safety and well-being.

The Alfa Laval Global Health & Safety Manual underlines the accountability of managers to fulfil and uphold the policy. The work is supported by local health & safety management systems. As a minimum, all Alfa Laval's sites are expected to comply with local legislation and regulations on safe working environments.

The Health & Safety Policy has been approved by the CEO and the Health & Safety Manual has been approved by the Health & Safety Council. The policy and directives in the manual are mandatory for the entire Alfa Laval Group, and apply to all employees, consultants, contracted workers and visitors to Alfa Laval sites, as well as employees working at customer sites or travelling for work purposes.

The local Managing Director or Site Manager is responsible for the implementation of the directives described in the manual and accountable for people's health and safety.

Hazard identification, risk assessment, incident investigation (403-2)

The Health & Safety Policy requires that all sites ensure that all employees have the required skills and competencies to safely conduct their tasks and comply with applicable legislation. Also, all sites are required to ensure that managers have sufficient training to organize the work in a safe manner. Managers must ensure that all employees are aware of the main hazards in their workplace, are sufficiently competent to identify new hazards, and understand how they can contribute to a safe work environment.

To assess the quality of the safety processes, all sites must verify the effectiveness of the training conducted and document evidence of competence and training. Continuous communication updates in the health & safety network enables involvement in the development, implementation and ongoing review of health & safety processes. Employees are encouraged to report all risk observations, which are registered along with all near misses and actual incidents.

All sites are required to establish, implement, and maintain processes to investigate and suggest corrective actions based on the cause of all incidents and hazards. For example, sites must implement an incident investigation system to ensure that the analysis of all lost-time injuries and serious potential incidents determines the underlying root causes. In addition, corrective action plans and trends in the causes of incidents must be identified by each site. Application of appropriate corrective and preventive actions in the event of legislative non-compliance, recurring non-conformities, or observations resulting from audits and management review must also be ensured by all sites.

All sites are required to put in place a process to eliminate hazards and reduce risks according to the hierarchy of controls: 1) eliminate hazards; 2) substitute hazardous processes; 3) isolate people from hazards; 4) change the way people work; and 5) use adequate personal protective equipment.

The Health & Safety Policy encourages employees to challenge unsafe behaviour in the workplace and remove themselves from potentially dangerous work situations. A company-wide whistleblowing system enables workers to report hazardous situations and breaches anonymously. There is a Whistleblower Protection and Anti-Retaliation Policy to protect those who report concerns from reprisals.

Occupational health services (403-3) Each major site has access to an external occupational health service. Each unit also has access to internal health & safety resources who support the organization in identifying, reducing, and eliminating hazards. Our Health & Safety Manual and Alfa Laval Production System ensure that processes, protective equipment and training are in place and monitored regularly.

Worker participation, consultation, and communication on occupational health and safety (403-4)

All Alfa Laval employees have access to the Health & Safety Manual, Health & Safety Policy and directives. All employees should contribute to the identification of hazards, the assessment of risks and implementation of risk control measures. Employees must also report any incident or hazard at work to their manager or supervisor. The Alfa Laval Health, Safety & Environment (HSE) network consists of health and safety specialists at our local sites. The network has the responsibility to discuss health and safety and to drive improvements at the local level. The Alfa Laval Group HSE team has the responsibility to coordinate health & safety management globally. The network has quarterly meetings and collaborates with various organizations within Alfa Laval, such as HR, Sustainability, Group Risk, Group Audit, Operations and Service.

Worker training on occupational health and safety (403-5)

Alfa Laval's methods to raise awareness- "Stop-Think-Act" and 3PR (Three Prioritized Risks)- has significantly improved the safety culture in the company. The "I care" initiative has the purpose of promoting safe behaviours. This initiative builds on four crucial steps: Awareness, Interest, Engagement, Sustain and Improve.

Promotion of worker health (403-6) Alfa Laval mainly offers medical and healthcare services for occupational injuries and illness.

Prevention and mitigation of health & safety impacts directly linked by business relationships (403-7)

The Alfa Laval Health & Safety Policy applies to all employees, as well as consultants and contracted workers, in all situations and locations. Health & safety is also a key focus area in Business Principles audits carried out at suppliers. Further details on these audits are presented in the Annual Report.

Work-related injuries (403-9)

Health & safety data		2023
Number of fatalities		1
Rate of fatalities ¹⁾		0.03%
Number of high-consequence work-related injuries		4
Rate of high-consequence work-related injuries ²⁾		0.11%
Number of recordable work-related injuries/LTIs*		90
Rate of recordable work-related injuries/rate of LTIs ³⁾		2.45%
Main types of work-related injuries	Slip trip and falls, struck by moving, flying, or falling object	
Number of hours worked		36,789,563

*Currently recordable work-related injuries only includes injuries with lost time (LTIs). The reported number of LTIs in the table includes fatalities.

Injuries due to commuting incidents where transport has not been organized by Alfa Laval have not been included. Number of injuries includes data on employees, temporary employees and visitors, but not contractors. Rates have been calculated based on 1,000,000 hours worked.

$$^1) \text{ Rate of fatalities as a result of work-related injury} = \frac{\text{Number of fatalities as a result of work-related injury}}{\text{Number of hours worked}} \times 1,000,000$$

$$^2) \text{ Rate of high-consequence work-related injuries (excluding fatalities)} = \frac{\text{Number of high-consequence work-related injuries (excluding fatalities)}}{\text{Number of hours worked}} \times 1,000,000$$

$$^3) \text{ Rate of recordable work-related injuries/LTIs (including fatalities)} = \frac{\text{Number of recordable work-related injuries/LTIs}}{\text{Number of hours worked}} \times 1,000,000$$

Identified work-related hazards that can potentially pose a risk for high-consequence injuries are:

- Injured while handling material with crane or lifting equipment
- Fall from heights
- Confined space

The hazards have been identified through Alfa Laval's process for hazard identification, risk assessment and incident investigation. Historically, a number of serious injuries can be connected to these hazards. In 2023, the identified hazards contributed to three of the four reported high-consequence injuries. Alfa Laval is working on setting clearer standards for these hazards to minimize potential risks in line with the hierarchy of controls.

Note 5. Committed

5.1 Operations assessed for risks of corruption (GRI 205-1).

a) Alfa Laval carries out an annual enterprise risk assessment, including risks related to corruption. The assessment is performed by corporate functions and all business units based on materials prepared by the global risk management function. Through this assessment relevant risks for each part of the company are identified and highlighted to Group Management, including operations that may be facing risks of corrupt business practices. The risk assessment covers all (100%) of Alfa Laval's operations.

b) While the assessment confirms that Alfa Laval has a presence in certain countries with a heightened corruption risk, no significant risks of corruption were identified that require actions not already addressed through Alfa Laval's ongoing compliance and ethics program.

5.2 Supplier assessments (GRI 308-1, 414-1).

New suppliers screened using environmental criteria (308-1)

All new suppliers in the identified risk countries were screened using environmental criteria.

New suppliers screened using social criteria (414-1)

All new suppliers in the identified risk countries were screened using social criteria.

GRI Content Index

Alfa Laval AB has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023. Sustainability reporting is made annually.

GRI 1: Foundation 2021 has been used but no GRI Sector Standards since none are applicable to our business at present.

GRI Standard and disclosure		Page reference AR = Annual Report SN = Sustainability notes	Omission	
			Requirement(s) omitted	Reason
General disclosures				
GRI 2: General disclosures 2021				
The organisation and its reporting practices				
2-1	Organizational details	AR 81-82, 102, 112-113		
2-2	Entities included in the organization's sustainability reporting	AR 167-170 SN note 1.1		
2-3	Reporting period, frequency and contact point	AR 47, 102 SN note 1.2		
2-4	Restatements of information	SN note 1.3		
2-5	External assurance	AR 79 SN note 1.4		
Activities and workers				
2-6	Activities, value chain and other business relationships	AR 3, 16-45, 72-73 SN note 1.5		
2-7	Employees	SN note 1.6	2-7 b (iii)	Information unavailable
2-8	Workers who are not employees		2-8	Information unavailable
Governance				
2-9	Governance structure and composition	AR 84, 88-95		
2-10	Nomination and selection of the highest governance body	AR 86-89		
2-11	Chair of the highest governance body	AR 90-91, 94		
2-12	Role of the highest governance body in overseeing the management of impacts	AR 83-84, 90-91, 97 SN note 1.7		
2-13	Delegation of responsibility for managing impacts	AR 84, 91, 96 SN note 1.8		
2-14	Role of highest governance body in sustainability reporting	AR 91-92		
2-15	Conflicts of interest	AR 90-91		
2-16	Communication of critical concerns	SN note 1.9		
2-17	Collective knowledge of the highest governance body	AR 90-91 SN note 1.10		

GRI Standard and disclosure		Page reference AR = Annual Report SN = Sustainability notes	Omission	
			Requirement(s) omitted	Reason
2-18	Evaluation of the performance of the highest governance body	AR 90-91 SN note 1.11		
2-19	Remuneration policies	AR 90-93, 153-155, 183-185 SN note 1.12		
2-20	Process to determine remuneration	AR 87, 91, 153-155, 183-185		
2-21	Annual total compensation ratio	SN note 1.13		
Strategy, policies, and practices				
2-22	Statement on sustainable development strategy	AR 6-7, 83, 91		
2-23	Policy commitments	AR 15, 46-74 SN note 1.14		
2-24	Embedding policy commitments	AR 46-74, 83 SN note 1.15		
2-25	Processes to remediate negative impacts	AR 46-74 SN note 1.16	2-25 d, e	Information unavailable
2-26	Mechanisms for seeking advice and raising concerns	AR 70-73		
2-27	Compliance with laws and regulations	SN note 1.17		
2-28	Membership associations	SN note 1.18		
Stakeholder engagement				
2-29	Approach to stakeholder engagement	AR 51		
2-30	Collective bargaining agreements	SN note 1.19	2-30 b	Information unavailable
Material topics				
GRI 3: Material topics 2021				
3-1	Process to determine material topics	AR 51		
3-2	List of material topics	AR 50-51		
GRI 205: Anti-corruption 2016				
3-3	Management of material topics	AR 48-51, 68-71		
205-1	Operations assessed for risks related to corruption	SN note 5.1		
GRI 302: Energy 2016				
3-3	Management of material topics	AR 48-51, 54-55, 60 SN note 3.1		
302-1	Energy consumption within the organisation	AR 54-55, 60 SN note 3.1		
GRI 303: Water and effluents 2018				
3-3	Management of material topics	AR 48-51, 58-61 SN note 3.2		
303-1	Interactions with water as a shared resource	SN note 3.2		
303-2	Management of water discharge-related impacts	SN note 3.2		
303-3	Water withdrawal	SN note 3.2		

GRI Standard and disclosure		Omission	
		Requirement(s) omitted	Reason
GRI 305: Emissions 2016			
3-3	Management of material topics		
		AR 48-57 SN note 2.1	
305-1	Direct (Scope 1) GHG emissions		
		AR 53-54 SN note 2.1	
305-2	Energy indirect (Scope 2) GHG emissions		
		AR 53-54 SN note 2.1	
305-3	Other indirect (Scope 3) GHG emissions		
		AR 53, 56-57 SN note 2.1	
GRI 306: Waste 2020			
3-3	Management of material topics		
		AR 48-51, 58-61	
306-1	Waste generation and significant waste-related impacts		
		AR 58-61 SN note 3.3	
306-2	Management of significant waste related impacts		
		AR 58-61 SN note 3.3	
306-5	Waste directed to disposal		
		AR 58-61 SN note 3.3	
GRI 308: Supplier environmental assessment 2016			
3-3	Management of material topics		
		AR 48-51, 72-74 SN note 5.2	
308-1	New suppliers that were screened using environmental criteria		
		AR 72-74 SN note 5.2	
GRI 401: Employment 2016			
3-3	Management of material topics		
		AR 48-51, 66-67	
401-1	New employee hires and employee turnover		
		SN note 4.1	
GRI 403: Occupational health & safety 2018			
3-3	Management of material topics		
		AR 48-51, 62-64 SN note 4.4	
403-1	Occupational health and safety management system		
		AR 62-64 SN note 4.4	
403-2	Hazard identification, risk assessment, and incident investigation		
		AR 62-64 SN note 4.4	
403-3	Occupational health services		
		AR 62-64 SN note 4.4	
403-4	Worker participation, consultation, and communication on occupational health and safety		
		AR 62-64 SN note 4.4	
403-5	Worker training on occupational health and safety		
		AR 62-64 SN note 4.4	
403-6	Promotion of worker health		
		AR 62-64 SN note 4.4	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
		AR 62-64 SN note 4.4	

GRI Standard and disclosure		Page reference AR = Annual Report SN = Sustainability notes	Omission	
			Requirement(s) omitted	Reason
403-9	Work-related injuries	AR 62-64 SN note 4.4		
GRI 404: Training and education 2016				
3-3	Management of material topics	AR 48-51, 66-67 SN note 4.2		
404-1	Average hours of training per year per employee	SN note 4.2		
GRI 405: Diversity and equal opportunities 2016				
3-3	Management of material topics	AR 48-51, 66-67		
405-1	Diversity of governance bodies and employees	SN note 4.3		
GRI 414: Supplier social assessment 2016				
3-3	Management of material topics	AR 48-51, 72-74 SN note 5.2		
414-1	New suppliers that were screened using social criteria	AR 72-74 SN note 5.2		



This is Alfa Laval

Alfa Laval is active in the areas of Energy, Marine, and Food & Water, offering its expertise, products, and service to a wide range of industries in some 100 countries. The company is committed to optimizing processes, creating responsible growth, and driving progress – always going the extra mile to support customers in achieving their business goals and sustainability targets.

Alfa Laval's innovative technologies are dedicated to purifying, refining, and reusing materials, promoting more responsible use of natural resources. They contribute to improved energy efficiency and heat recovery, better water treatment, and reduced emissions. Thereby, Alfa Laval is not only accelerating success for its customers, but also for people and the planet. Making the world better, every day. It's all about *Advancing better™*.

How to contact Alfa Laval

Up-to-date Alfa Laval contact details for all countries are always available on our website at www.alfalaval.com