

# Modern Slavery Act Transparency Statement



## 1. Introduction

The continued prevalence of forced labor and human trafficking is a serious global issue with many victims, and we will not tolerate this within our organization or within our supply chain. Alfa Laval is committed to taking all appropriate steps to ensure that acts of modern slavery and human trafficking are not occurring within our organization or our supply chain.

## 2. Our organization

Alfa Laval is a leading global provider of specialized products and engineering solutions based on its key technologies of heat transfer, separation, and fluid handling.

The company's equipment, systems and services are dedicated to assisting customers in optimizing the performance of their processes. The solutions help them to heat, cool, separate and transport products in industries that produce food and beverages, chemicals and petrochemicals, pharmaceuticals, starch, sugar and ethanol.

Alfa Laval's products are also used in power plants, aboard ships, oil and gas exploration, in the mechanical engineering industry, in the mining industry and for wastewater treatment, as well as for comfort climate and refrigeration applications.

Alfa Laval's worldwide organization works closely with customers in nearly 100 countries to help them stay ahead in the global arena. Alfa Laval is listed on Nasdaq OMX, and, in 2020, posted annual sales of about SEK 41.46 billion. The company has 16 882 employees (fig end 2020). [www.alfalaval.com](http://www.alfalaval.com)

## 3. Our approach

### ***Alfa Laval commitment***

Alfa Laval is committed to upholding human rights and support the principles contained within the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions on Labor Standards. We operate in accordance with the Business Principles of Alfa Laval, and its' four cornerstones – Social, Business integrity, Environment and Transparency.

The Business Principle "Social" includes human rights, freedom of association, child labor, forced labor, discrimination and working conditions. Alfa Laval should, according to the social principle:

- Respect human rights and avoid infringing on the human rights of others and should address adverse human rights impacts if they occur.
- Make sure it is not complicit in human rights abuses and seek ways to prevent or mitigate adverse human rights impacts that may be linked to its operations, products or services by a business relationship.
- Carry out human rights due diligence as appropriate to the size, the nature and context of operations and the severity of the risks of adverse human rights impacts.
- Provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts if Alfa Laval has caused or contributed to these impacts. For more information on our Business Principles please visit <https://www.alfalaval.com/about-us/sustainability/a-matter-of-trust/> .

### ***All Alfa Laval employees***

Alfa Laval requires *all employees* to adhere to the Business Principles of Alfa Laval. *Managers* sign off their understanding and implementation of the Alfa Laval Business Principles on a yearly basis. *New employees* are given training on the Business Principles which include concepts related to modern slavery.

### ***Procurement***

Our procurement team routinely seeks out information to help identify and address risks in our supply chain (including in relation to slavery and human trafficking) and will continue to do so. Our procurement organization



is given training on how to implement the Business Principles for suppliers. This training includes a section on Modern Slavery.

#### *Supply chain in focus*

Below we describe in more detail how we work with the supply chain, which is where we deem the risk of human rights violations to be the greatest.

#### *Working with our suppliers*

The way we work with suppliers to uphold human rights is set in our "Business Principles for Suppliers". We expect our suppliers and business partners to adhere to our Business Principles and to conduct their business in accordance with the law and in an ethical manner, which includes adopting business practices that prevent modern slavery and human trafficking from taking place within their supply chains.

We continuously undertake assessments of our suppliers according to a country/product manufacturing process matrix in order to identify high risk suppliers/risk areas within our supply base. Where we identified risk, we work actively with our suppliers using a three-step method of:

- 1) Training
- 2) Monitoring/assessment
- 3) Improvement

#### *Conflict Minerals*

Some of our products contain tantalum, tin, tungsten and gold. These metals, often referred to as 3TG, have become known as 'conflict minerals' because they may contribute to the financing of the conflict in the Democratic Republic of the Congo or an adjoining country. We recognize that conflict minerals bring an increased risk of modern slavery. Alfa Laval aspires to having a conflict-free supply chain and when conflict minerals are used in our products, we conduct due diligence on our supply chain to reasonably ensure that if the minerals originate from within a conflict area they are from conflict-free sources. For more information on our position on conflict minerals please visit <https://www.alfalaval.com/about-us/sustainability/a-matter-of-trust/social/conflict-minerals/>

#### **"Whistleblowing"**

Our whistleblowing scheme is available to all employees across the organization and acts as a system to redress violation, including human rights violations. Employees can confidentially lodge any concerns about the actions of business partners, managers and other employees. These are then investigated independently. This whistleblower system is also available externally for anonymous reporting of any breach committed by Alfa Laval: <https://www.alfalaval.com/about-us/sustainability/a-matter-of-trust/whistle-blowing/>

## **4. Our Progress**

**Our yearly progress in implementing Modern Slavery Act in our organization and processes will be reported on a yearly basis in our Sustainability Report which can be found at:**

<https://www.alfalaval.com/about-us/sustainability/a-matter-of-trust/sustainability-reports/>

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A handwritten signature in blue ink, appearing to read 'Tom Erixon', is positioned above the name and title of the signatory.

Tom Erixon  
CEO of Alfa Laval

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Alfa Laval's modern slavery and human trafficking statement for the financial year 1 January 2020 to 31 December 2020. This statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015.

Please direct any questions on this statement to Catarina Paulson Head of Sustainability: [catarina.paulson@alfalaval.com](mailto:catarina.paulson@alfalaval.com)