



Sustainability notes, GRI and Taxonomy

Sustainability notes, GRI Content Index and Taxonomy reporting

Alfa Laval's sustainability reporting for 2022 consists of sustainability disclosures in the Annual Report 2022 and supplementary information in the below Sustainability Notes. Alfa Laval reports in accordance with the GRI Standards 2021 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 2021.

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. Also note, that some of the GRI general disclosures and one other material topic (economic performance) have supplementary information in this document.

Environmental data disclosed in the annual report (AR) and in 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 was consolidated based on operational control. The data has been compiled based on invoices or physical meters following the financial year. All operations and service centres are required to report environmental data. Only Alfa Laval offices with more than 25 employees are required to report environmental data.

In these notes, on p. 14–16 you will also find complementary information to the taxonomy reporting.

Note 1. General disclosures

1.1 Entities included in the organization's sustainability reporting according to GRI 2-2.

a) Alfa Laval's sustainability reporting for 2022 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 2022 year's report, Desmet, Scanjet, Bunker Metrics are excluded. These are new acquisitions 2022 and will be added in the sustainability reporting latest within three years.

1.2 Reporting period, frequency and contact point according to GRI 2-3.

Reporting period: January 1 to December 31, 2022. Sustainability reporting is made annually.

1.3 Restatements of information according to GRI 2-4.

a) Scope 3, category 2, Capital goods: From 2022 adding our machinery, equipment and vehicles using average spend-based methods and spend emission factors from GHG protocol, p. 35.

Scope 3, category 3, Fuel and energy related activities: Calculated using Quantis estimation from Scope 1 and 2 size.

Scope 3, category 7, Employee commuting: Using 1.3 CO₂ ton per employee per year. Estimation based on a number of surveys.

a, i) This information was not calculated previous year as the largest categories were prioritized. For this year, they have been included in the reporting.

a, ii) The effect is that the scope 3 calculation is more correct although the added categories do account for less than 0.1% of the total footprint.

1.4 External assurance reporting according to GRI 2-5.

It is Alfa Laval's Board of Directors and the Executive Management who 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 EY, elected at the Annual General Meeting. The Auditor's Limited Assurance Report is published in the Annual Report.

1.5 Activities, value chain and other business relationships according to GRI 2-6.

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

1.6 Employees according to GRI 2-7.

	Asia	Central & Eastern Europe	Latin America	Nordic	North America	Western Europe	Other	Total
Number of employees (headcount)*	5,246	713	625	6,029	1,255	2,502	136	16,506
Number of temporary employees (headcount)	1,524	4	39	465	10	146	4	2,192
Number of permanent employees (headcount)	3,722	709	586	5,564	1,245	2,356	132	14,314
Number of full time employees (headcount)	5,241	701	587	5,756	1,241	2,334	134	15,994
Number of part-time employees (headcount)	5	12	38	273	14	168	2	512

*Figures include Alfa Laval branded entities only.

c, ii) All numbers are calculated at the end of the reporting period (31st of December 2022).

d) Alfa Laval employees 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 the company can accommodate or where this is a statutory right. In some instances, roles not required in full time effect. This is not a desired situation.

e) Reported numbers for 2021 were not in the same format, however the numbers show that there were no significant fluctuations in the number of employees between 2021 and 2022.

1.7 Governance structure and composition according to GRI 2-9.

c, iv) A policy on Inclusion & Diversity is in place, for the Board to ensure a diverse composition.

1.8 Nomination and selection of the highest governance body according to GRI 2-10.

b, i) Shareholders can propose candidates for the board. The composition of the nominating committee is announced in a press release and in the Q3 report.

b, ii) Gender balance is prioritized during the coming years. See Work of the Nominating Committee ahead of the 2022 Annual General Meeting., p. 93: Nominating Committee applies paragraph 4.1 Diversity policy of the Swedish Corporate Governance Code in its work.

b, iii) Independence is taken into considerations, see example on choice of chairman for the Nominating Committee ahead of the 2022 Annual General Meeting (Finn Rausing) also a board member - a deviation from the code.

1.9 Delegation of responsibility for managing impacts according to GRI 2-13.

a, ii) Group Management coordinates and different forums work with focus areas from the sustainability strategy.

1.10 Communication of critical concerns according to 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) The number of critical concerns communicated to the highest governance body during the reporting period was one (1). The nature of the concern is not disclosed due to confidentiality constraints.

1.11 Collective knowledge of the highest governance body according to GRI 2-17.

a) The highest governance body gets information from internal experts in the field, make site visits and attend external meetings and conferences on the subject. For example, the board gets an annual summary of sustainability in February. The board approves of sustainability strategy and goals.

1.12 Evaluation of the performance of the highest governance body according to 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.

1.13 Annual total compensation ratio according to GRI 2-21.

a) This information will be disclosed in the executive remuneration report published on the AlfaLaval.com

1.14 Policy commitments according to 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. Business Principles also described in AR 2022, p. 15 and 77.

a, iii) Applying the precautionary principle is part of what the Business Principles stipulates (see p. 77). 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. All major 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 highlights 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 according to GRI 2-24.

a, i, ii) The accountability to implement the commitments lays in the respective 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 according to GRI 2-25.

a) 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.

All major operation sites are certified according to ISO 14001, thus have processes in place to comply with the ISO 14001 requirements 7.4 about communication where it is described that received information that are complaints should be answered “prompt and clear” and that these “provide an

opportunity for improvement for the environmental management system”, and requirement 9.3 f Management review, including “relevant communication(s) from interested parties, including complaints” .

1.17 Compliance with laws and regulations according to GRI 2-27.

a) Legislative compliance ensures our business legitimacy. No significant fines or non-monetary sanctions regarding environmental or socioeconomic performance have come to Alfa Laval's attention during 2022.

1.18 Membership associations according to 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 according to 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 53% of employees are covered by collective bargaining agreements.

Note 2. Economic performance

2.1 Direct economic value (MSEK) generated and distributed according to GRI 201-1.

Economic value distributed:	2022	%	2021	%	2020	%
Employee (salaries & remunerations)	13,126	28.7%	10,776	28.5%	10,419	34.3%
Suppliers (purchases)	22,443	49.1%	17,858	47.2%	16,820	55.4%
Investments	1,853	4.1%	1,229	3.3%	1,232	4.1%
Acquisition of businesses	3,685	8.1%	3,828	10.1%	70	0.2%
Shareholders (dividends)	2,480	5.4%	2,309	6.1%	0	0.0%
Public Sector (taxes)	1,834	4.0%	1,599	4.2%	1,537	5.1%
Payments to providers of capital	290	0.6%	210	0.6%	260	0.9%
	45,711	100.0%	37,809	100.0%	30,338	100.0%
Direct economic value generated	52,135		40,911		41,468	
Economic value distributed	-45,711		-37,809		-30,338	
Economic value retained:	6,424		3,102		11,130	
Explanation: Economic value retained: 'direct economic value generated' less 'economic value distributed'						
Net sales	52,135		40,911		41,468	
Number of employees at year end	20,300		17,883		16,882	
Total assets	81,249		64,361		60,860	
R&D costs	-1,356		-1,159		-1,039	
Operating income	6,519		6,126		5,580	
Net income	4,569		4,801		3,580	

Note 3. Climate

3.1 Carbon emissions according to GRI 305-1, 305-2, 305-3

CO ₂ emissions (metric tonnes CO ₂ e)	Total
Scope 1 2022	16,004
Scope 2 market-based 2022	7,125
Scope 2 location-based 2022	62,763
Scope 3	31,545,054

1) No gases other than CO₂ were included in the calculations, as CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ are either negligible or lacking.

2) Alfa Laval does not generate biogenic emissions.

3) 2020 has been chosen as base year, as 2020 is the first year of Alfa Laval's new sustainability target period- 2020–2023. The previous target period was 2015–2020. No significant changes in emissions have triggered recalculations of the base year emissions.

4) Emission factors used come from databases such as EIA and Defra, national residual mix, from specific electricity suppliers and specific district heating suppliers.

5) Data was consolidated based on operation control. For information on the data consolidation approach please see page 1.

6) Roughly 13% of the CO₂ emissions from company cars (Scope 1) consist of estimated data.

Scope 3 emissions by category

Scope 3	Emission	Method description
Upstream	Category 1: Purchased goods and services	508,636 Included and estimated to 1% of total footprint. Calculated using average data method.
	Category 2: Capital goods	30,867 Currently deemed as too low, will in the future use accounting for capital investments in a year, using supplier estimated inherit footprint from operations. Emission factors from Defra were used in these calculations.
	Category 3: Fuel- and Energy-Related	5,426 Calculated using Quantis estimation from scope 1 and 2 size.
	Category 4: Upstream transport	52,012 Reported from Global Transport using forwarder reports.
	Category 5: Waste	1,806 Calculated using reported waste numbers.
	Category 6: Business travel	9,137 Reported based on Alfa Laval's travel management system.
	Category 7: Employee commuting	24,703 Calculated using 1.3 CO ₂ ton per employee. Estimation based on a number of 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	10,402 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	30,897,198 Gross life cycle energy consumption of sold products in fiscal year using the hybrid method. Emission factors from the IEA and Defra were used in these calculations.
	Category 12: End-of-life treatment of sold products	4,867 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 Inventory on our minority ownerships is negligible.

Note 4. Circularity

4.1 Energy according to GRI 302-1.

In 2022, Alfa Laval's energy consumption decreased by 3 percent compared with 2021. 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-derived) which accounts for 1 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 on a quarterly basis from invoices, meter readings or consumed volumes for each facility.

Energy consumed 2022	MWh
Non-renewable fuel consumption	68,534
Renewable fuel consumption	722
Heating consumption	26,116
Electricity consumption	216,940
Cooling consumption	3
Steam consumption	432
Total energy consumed	312,747

4.2 Water according to GRI 303-1, 303-2, 303-3.

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 also pre-treated before getting collected by the municipal wastewater treatment network at some of our sites.

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-scarce regions. We have set water targets for these areas where water scarcity is a concern. We have identified water-scarce areas by using the World Resources Institute 'Aquaduct Water Risk Atlas' tool. Sites are considered as water-stressed if their baseline water stress is equal or greater than 40 percent (medium-high, high and extremely high-risk areas).

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-scarce areas. Moreover, our suppliers are assessed for risks of environmental impacts associated with production processes. Our products make a significant contribution to reducing the 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.

303-2) 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 regulations. In specific cases in which effluent parameters are above thresholds, effluent is first stored and then collected by specific industrial wastewater treatment companies. All our sites are located in countries that have wastewater regulations in place. We do not follow any internally developed water quality standard nor any sector-specific standard. Alfa Laval does not perform any direct effluent discharges to systems other than the municipal wastewater treatment network.

303-3)

Total water withdrawals during 2022:

Third-party water:	696 ML
Surface Water:	10 ML
Groundwater:	33 ML

Water withdrawals in water-scarce areas during 2022:

Third-party water:	243 ML
Surface Water:	0 ML
Groundwater:	19 ML

All water withdrawn has less than 1000 mg/L of total dissolved solids. Alfa Laval does not use any seawater or produced water. Water-scarce areas were determined using the World Resources Institute 'Aquaduct Water Risk Atlas' tool. Currently Alfa Laval has 42 sites/facilities located in water-stressed areas (water-stressed areas are those classified with high- and extremely high risk according to the World Resources Institute 'Aquaduct Water Risk Atlas).

4.3 Waste according to GRI 306-1, 306-2, 306-5.

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. Regarding non-metal waste, packaging material also represents a large waste input at Alfa Laval, while scrap resultant from our operations and service centers consists of a large waste output. By reducing, reusing and recycling packing material and scrap Alfa Laval aims at decreasing waste to a minimum.

306-2) Alfa Laval's waste is managed by certified waste management companies. Waste-related data is also monitored and mainly provided by these companies. During 2021 Alfa Laval developed a waste guideline to improve sorting and classification of waste in order to take steps to our long-term target of zero waste to landfill by 2030

306-5) During 2022, Alfa Laval generated 27,574 (25,923) metric tonnes of waste, 13 percent (18 percent) of this waste classifies as hazardous. From the total generated waste, 8,476 (7,311) metric tonnes were sent to disposal while 19,098 (18,612) metric tonnes were diverted from disposal.

Waste directed to offsite^{a)} disposal by disposal operation

Waste type	Amount (metric tonnes)
Hazardous waste	
Incineration (with energy recovery)	507
Incineration (without energy recovery)	241
Landfilling	80
Other disposal operations	1,770
Total	2,598
Non-hazardous waste	
Incineration (with energy recovery)	3,026
Incineration (without energy recovery)	207
Landfilling	2,645
Other disposal operations	0
Total	5,878

a) No onsite disposal takes place at Alfa Laval; all waste is managed by certified waste management companies. All waste disposal occurs thus offsite.

Note 5. Caring

5.1 Diversity: Employment according to GRI 401-1. 401-1)

	2022
New employee hires	3,194
Of whom are women	855
Of whom are men	2,317
Of whom are under 30	1,679
Of whom are 30–50	1,295
Of whom are over 50	220
Asia	806
Central & Eastern Europe	189
Latin America	152
Nordic	1,364
North America	280
Other	17
Western Europe	386
Rate of new employee hires	19%
Of whom are women	27%
Of whom are men	73%
Of whom are under 30	53%
Of whom are 30–50	41%
Of whom are over 50	7%
Asia	25.2%
Central & Eastern Europe	6%
Latin America	5%
Nordic	43%
North America	9%
Other	27%
Western Europe	12%
Total number of employee turnover*	2,300
Of whom are women	647
Of whom are men	1,637
Of whom are under 30	860
Of whom are 30–50	983

*Turnover includes both temporary and permanent employees.

Of whom are over 50	457
Asia	466
Central & Eastern Europe	268
Latin America	90
Nordic	940
North America	196
Other	33
Western Europe	307
Rate of employee turnover	14%
Of whom are women	28%
Of whom are men	71%
Of whom are under 30	37%
Of whom are 30–50	43%
Of whom are over 50	20%
Asia	20%
Central & Eastern Europe	12%
Latin America	4%
Nordic	41%
North America	9%
Other	1%
Western Europe	13%

5.2 Diversity: Training and education according to GRI 404-1. 404-1)

Average hours of training per	2022
Women	7.60
Men	5.78
Manager	12.83
Employee	6.18

Total hours of training per	Total hours of training per	Number of employees
Women	26,767	3,520
Men	74,919	12,961
Manager	28,619	2,231
Employee	102,018	16,506

5.3. Diversity: Diversity and equal opportunities according to GRI 405-1.

	2022
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%
Manager	2,222
Of whom are men (%)	78%
Of whom are women (%)	22%
Of whom are under 30 (%)	2%
Of whom are 30–50 (%)	65%
Of whom are over 50 (%)	33%
Employee	14,275
Of whom are men (%)	79%
Of whom are women (%)	21%
Of whom are under 30 (%)	18%
Of whom are 30–50 (%)	54%
Of whom are over 50 (%)	26%

5.4 Diversity: Non-discrimination according to GRI 406-1.

There have been no court cases regarding discrimination or harassment during 2022.

5.5 Occupational health and safety according to GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9.

403-1) After conducting a corporate risk analysis, Alfa Laval has identified priorities to ensure a safe working environment for all our employees. The health & safety policy and directives define principles and rules to achieve a better working environment; Alfa Laval's health & safety Policy requires that workplaces have high standards of safety and well-being. The Alfa Laval Global Health & Safety Manual underlines the accountability of our managers to fulfil and uphold this policy. The work is supported by local health & safety management systems. Additionally, all Alfa Laval's sites are expected to comply with local legislation and regulations.

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 (including acquired company and/or double brand companies).

The health & safety policy applies 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.

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.

List of standards and guidelines: Alcohol and drug policy, contractor safety policy, lockout tagout procedure and equipment for field service engineers, international service engineers and other AL employees performing work at customer sites/vessels, safe lifting and handling policy, safety shoes policy, visitor policy and work at height policy.

403-2) The Alfa Laval 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. The type and degree of training vary, based on various management levels. 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 establish processes to verify the effectiveness of the training conducted, as well as document evidence of competence and training. Continuous communication updates enable involvement in the development, implementation and ongoing review of health & safety processes.

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 health & safety 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 establish, implement, and maintain a process to eliminate hazards and reduce risks according to the hierarchy of controls. The steps needed to ensure risk mitigation are:

- Elimination of all hazards
- Substitution with less hazardous processes, operations, materials, or equipment
- Use engineering controls and reorganization of work
- Use administrative controls, including training
- Use adequate personal protective equipment

Furthermore, a company-wide whistleblowing system enables workers to report hazardous situations and suspected breaches anonymously. This system allows workers to remove themselves from work situations that can potentially lead to injuries or health issues and protects workers from reprisals.

403-3) Each major site has access to an external occupational health service. Each unit has also access to internal health & safety resources who support the organization in identifying, reducing, and eliminating hazards. Our Health & Safety Manual and our Alfa Laval Production System ensure that processes, protective equipment and training are in place as well as that daily follow up is made.

403-4) All Alfa Laval's employees have access to the Health & Safety manual and the health & safety policy & 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 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 Health, Safety & Environment team has the responsibility to manage health and safety at the global level. The team has quarterly meetings and collaborates with various organizations within Alfa Laval, such as HR, Sustainability, Group Risk, Group Audit, Operations and Service.

403-5) Alfa Laval's methods to raise awareness- "Stop-Think-Act" and 3PR (three prioritized risks)- 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 and Sustain & Improve.

403-6) Alfa Laval mainly offers medical and healthcare services for occupational injuries and illness.

403-7) Alfa Laval strives to continuously improve the health and safety (health & safety) performance according to the global health & safety Policy. An extensive safety programme was launched during 2022 and has resulted in positive development, there was a positive trend, both when it comes to Lost Time injury Frequency Rate and Minor Injuries.

403-9)

Work-related injuries	2022
Number of fatalities	0
Rate of fatalities ¹⁾	0
Number of high-consequence work-related injuries	2
Rate of high-consequence work-related injuries ²⁾	0.06
Number of recordable work-related injuries/LTIs ³⁾	87
Rate of recordable work-related injuries/rate of LTIs ⁴⁾	2.59
Main types of work-related injuries	Struck by moving, flying, or falling object
Number of hours worked	33,627,450

³⁾ Currently our recordable work-related injuries only include injuries with lost time (LTIs). There were no fatalities at Alfa Laval during 2022, thus the number of fatalities was irrelevant for the calculation of the number and rate of high-consequence work-related injuries and also irrelevant for the calculation of the number and rate of recordable work-related injuries. Injuries resultant of commuting incidents where transport has not been organized by the Alfa Laval have not been included. Rates have been calculated based on 1,000,000 hours worked. Current figures do not include data on contractors, but we plan on including this data from 2023 onwards. Figures include data on temporary workers and consultants.

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

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

$$^4) \text{ Rate of recordable work-related injuries/LTIs (excluding fatalities)} = \frac{\text{Number of recordable work-related injuries/LTIs}}{\text{Number of hours worked}} \times 1,000,000$$

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

Alfa Laval is working on setting standards for these hazards to control potential risks. During 2022, there has been one accident in which a worker has fallen from height. This accident may contribute to a high-consequence injury.

Note 6. Committed

Ethics: Anti-corruption according to GRI 205-1

a) Risk assessment, including corruption is done on an enterprise level. The assessment is distributed in the BU structure and from there to operations sites. The assessment gives an overview of operations sites associated with higher risks for corruption.

b) No significant risks identified

6.2 Ethics: Supplier assessment according to GRI 308-1, 414-1.

308-1) All new suppliers in the identified risk countries were screened using environmental 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 2022 to 31 December 2022. Sustainability reporting is made annually.

GRI 1: Foundation 2021 has been used but no GRI Sector Standards (since none is applicable for our business at the 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: 3–4, 91, 93, 118–119		
2-2	Entities included in the organization's sustainability reporting	AR: 126, 130–131 SN Note 1.1		
2-3	Reporting period, frequency and contact point	AR 86, 91 SN, note 1.2		
2-4	Restatements of information	Note 1.3		
2-5	External assurance	AR 86 SN note 1.4		
Activities and workers				
2-6	Activities, value chain and other business relationships	AR 3–4, 18–19, 32–53, 80 SN, note 1.5		
2-7	Employees	SN note 1.6	2-7, a, iii	Information unavailable/incomplete
2-8	Workers who are not employees		2-8	Information unavailable/incomplete
Governance				
2-9	Governance structure and composition	AR 92, 95, 100–103, SN, note 1.7		
2-10	Nomination and selection of the highest governance body	AR 95–96 SN, note 1.8	2-10 b, iv	Information unavailable/incomplete
2-11	Chair of the highest governance body	AR 100–103		
2-12	Role of the highest governance body in overseeing the management of impacts	AR 97, 102–103, 146–155		
2-13	Delegation of responsibility for managing impacts	AR 92, 96, 102 SN, note 1.9		
2-14	Role of the highest governance body in sustainability reporting	AR 97–98		
2-15	Conflicts of interest	AR 97, 100–102		

GRI Standard and disclosure		Page reference AR = Annual Report SN = Sustainability notes	Omission	
			Requirement(s) omitted	Reason
2-16	Communication of critical concerns	SN note 1.10		
2-17	Collective knowledge of the highest governance body	SN note 1.11		
2-18	Evaluation of the performance of the highest governance body	AR 96 SN note 1.12		
2-19	Remuneration policies	AR 96, 98–99, 102 159–161, 189–191	GRI 2-19 a, ii, GRI 2-16 b	Information unavailable/incomplete
2-20	Process to determine remuneration	AR 92, 94, 97, 98–99, note 37 (189–191)		
2-21	Annual total compensation ratio	SN, note 1.13		
Strategy, policies, and practices				
2-22	Statement on sustainable development strategy	AR 6–7		
2-23	Policy commitments	AR 15, 76–81 SN, note 1.14		
2-24	Embedding policy commitments	AR 56-59, 77–78, 80–81, 91–93 SN, note 1.15		
2-25	Processes to remediate negative impacts	AR 57–58, 60–81 SN, note 1.16	2-25 d 2-25 e	Information unavailable/incomplete
2-26	Mechanisms for seeking advice and raising concerns	AR 78–79		
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 59		
2-30	Collective bargaining agreements	SN, note 1.19	GRI 2-30 b	Information unavailable/incomplete
Material topics				
GRI 3: Material topics 2021				
3-1	Process to determine material topics	AR 59		
3-2	List of material topics	AR 58–59		
GRI 201: Economic performance 2016				
3-3	Management of material topics	AR 59	AR 90–106 126, 130–131	
201-1	Direct economic value generated and distributed	AR 58–59	AR 157 SN, note 2.1	

GRI Standard and disclosure		Omission	
		Requirement(s) omitted	Reason
GRI 205: Anti-corruption 2016			
3-3	Management of material topics		AR 58–59, 76–83
205-1	Operations assessed for risks related to corruption		SN, note 6.1
GRI 302: Energy 2016			
3-3	Management of material topics		AR 58–59, 61–64, 67 SN note 4.1
302-1	Energy consumption within the organisation		AR 64, 67 SN, note 4.1
GRI 303: Water and effluents 2018			
3-3	Management of material topics		AR 58–59, 66–68 SN, note 4.2
303-1	Interactions with water as a shared resource		SN, note 4.2
303-2	Management of water discharge-related impacts		SN, note 4.2
303-3	Water withdrawal		SN, note 4.2
GRI 305: Emissions 2016			
3-3	Management of material topics		AR 58–65 SN, note 3.1
305-1	Direct (Scope 1) GHG emissions		AR 58–65 SN, note 3.1
305-2	Energy indirect (Scope 2) GHG emissions		AR 58–65 SN, note 3.1
305-3	Other indirect (Scope 3) GHG emissions		AR 58–65 SN, note 3.1
GRI 306: Waste 2020			
3-3	Management of material topics		AR 58–59, 66–69
306-1	Waste generation and significant waste-related impacts		AR 67–69 SN, note 4.3
306-2	Management of significant waste related impacts		AR 67–69 SN, note 4.3
306-5	Waste directed to disposal		AR 67–69 SN, note 4.3
GRI 308: Supplier environmental assessment 2016			
3-3	Management of material topics		AR 58–59, 76–83 SN, note 6.2
308-1	New suppliers that were screened using environmental criteria		AR 80–81 SN, note 6.2
GRI 401: Employment 2016			
3-3	Management of material topics		AR 58–59, 74–75
401-1	New employee hires and employee turnover		SN, note 5.1
GRI 403: Occupational health & safety 2018			
3-3	Management of material topics		AR 58–59, 70–73

GRI Standard and disclosure		Omission	
		Requirement(s) omitted	Reason
403-1	Occupational health and safety management system		
		Page reference AR = Annual Report SN = Sustainability notes	
		AR 70-73 SN, note 5.5	
403-2	Hazard identification, risk assessment, and incident investigation		
		AR 70-73 SN, note 5.5	
403-3	Occupational health services		
		AR 70-73 SN, note 5.5	
403-4	Worker participation, consultation, and communication on occupational health and safety		
		AR 70-73 SN, note 5.5	
403-5	Worker training on occupational health and safety		
		AR 70-73 SN, note 5.5	
403-6	Promotion of worker health		
		AR 70-73 SN, note 5.5	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
		AR 70-73 SN, note 5.5	
403-9	Work-related injuries		
		AR 70-73 SN, note 5.5	
GRI 404: Training and education 2016			
3-3	Management of material topics		
		AR 58-59, 74-75	
404-1	Average hours of training per year per employee		
		SN, note 5.2	
GRI 405: Diversity and equal opportunities 2016			
3-3	Management of material topics		
		AR 58-59, 74-75	
405-1	Diversity of governance bodies and employees		
		SN, note 5.3	
GRI 406: Non-discrimination 2016			
3-3	Management of material topics		
		AR 58-59, 74-75	
406-1	Incidents of discrimination and corrective actions taken		
		SN, note 5.4	
GRI 414: Supplier social assessment 2016			
3-3	Management of material topics		
		AR 58-59, 76-83	
414-1	New suppliers that were screened using social criteria		
		AR 80-81 SN, note 6.2	

Taxonomy reporting

The tables below show Key Performance Indicators for Climate Change mitigation and supplement the information on Taxonomy reporting on p. 84-86 in the Annual report.

Key Performance Indicators – Climate change mitigation	Net invoicing		
	2022		
Consolidated	Code	SEK millions	%
A. Taxonomy-eligible activities			
A.1 Environmentally sustainable activities (taxonomy-aligned)		0	0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)			
Manufacturing of renewable energy technologies	3.1	96	0.2
Manufacturing of equipment for the production and use of hydrogen	3.2	63	0.1
Manufacturing of energy efficiency equipment for buildings	3.5	4,046	7.8
Manufacturing of other low carbon technologies	3.6	5,736	11.0
Construction, extension and operation of water collection, treatment and supply systems	5.1	1,199	2.3
Installation, maintenance and repair of energy efficiency equipment	7.3	409	0.8
Total of A.2		11,549	22.2
Total of A.1 and A.2		11,549	22.2
B. Taxonomy-non-eligible activities		40,586	77.8
Total A + B		52,135	100.0

Key Performance Indicators – Climate change mitigation	Operational expenditure		
	2022		
Consolidated	Code	SEK millions	%
A. Taxonomy-eligible activities			
A.1 Environmentally sustainable activities (taxonomy-aligned)		0	0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)			
Manufacturing of renewable energy technologies	3.1	3	0.2
Manufacturing of equipment for the production and use of hydrogen	3.2	23	1.5
Manufacturing of energy efficiency equipment for buildings	3.5	66	4.2
Manufacturing of other low carbon technologies	3.6	37	2.4
Construction, extension and operation of water collection, treatment and supply systems	5.1	12	0.8
Installation, maintenance and repair of energy efficiency equipment	7.3	11	0.7
Total of A.2		152	9.7
Total of A.1 and A.2		152	9.7
B. Taxonomy-non-eligible activities		1,409	90.3
Total A + B		1,561	100.0

Key Performance Indicators – Climate change mitigation	Investments		
		2022	
Consolidated	Code	SEK millions	%
A. Taxonomy-eligible activities			
A.1 Environmentally sustainable activities (taxonomy-aligned)		0	0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)			
Manufacturing of renewable energy technologies	3.1	26	1.1
Manufacturing of equipment for the production and use of hydrogen	3.2	8	0.3
Manufacturing of energy efficiency equipment for buildings	3.5	77	3.3
Manufacturing of other low carbon technologies	3.6	55	2.3
Construction, extension and operation of water collection, treatment and supply systems	5.1	4	0.2
Installation, maintenance and repair of energy efficiency equipment	7.3	20	0.8
Total of A.2		190	8.0
Total of A.1 and A.2		190	8.0
B. Taxonomy-non-eligible activities		2,176	92.0
Total A + B		2,366	100.0



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