

# Alfa Laval Group Policy

## Environmental



Adopted by

Owner

Edition No 3.00

**Group Management**

**VP Group Sustainability**

October 8, 2025

## SUMMARY

The purpose of the Environmental Policy is to describe how to ensure Alfa Laval's commitment to conducting an environmentally responsible business and compliance through monitoring and reporting.

The policy addresses the two key focus areas:

- Climate change mitigation and adaptation
- Circular economy and resource use

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## 1 Introduction

### 1.1 Background

Alfa Laval recognizes the finite nature of our world's natural resources and the responsibility to minimize environmental impacts throughout value chains. Environmental aspects are part of the core business at Alfa Laval with products and expertise to contribute to the efficient use of energy, food, water, and other critical resources, thus enabling the reduction of the environmental impact of industrial processes. Adopting circular business models is a key enabler to mitigating climate impacts and risks.

### 1.2 Purpose and scope

Alfa Laval supports a risk and science-based approach to environmental challenges. Alfa Laval's ambition is to continuously take action to reduce negative environmental impacts and risks. The purpose of the Environmental Policy is to clarify Alfa Laval's commitment to conduct an environmentally responsible business as set out in the Alfa Laval Sustainability Strategy. This Environmental Policy shall be read in conjunction with the Alfa Laval Business Principles.

### 1.3 Applicability

This Environmental Policy applies to/is valid in all entities in Alfa Laval.

### 1.4 Communication and implementation

This Policy shall be communicated on SharePoint and further implemented according to Section 2 below.

### 1.5 Definitions and abbreviations

Definitions and abbreviations are enclosed as [Appendix 1](#).

## 2 Roles and responsibilities

### 2.1 VP Group Sustainability

- Ensure that this Policy, and any related directives and procedures, is communicated and up to date.
- Provide support, advice and guidance in relation to this Policy.
- Develop any directives and procedures that are required to ensure compliance with this Policy, when centrally identified.
- Monitor implementation of this Policy.
- Report on compliance adequacy and effectiveness and on environmental performance according to section 6.

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#### 2.2 GSS and Multibrand Managing Directors, BU Presidents and other managers on the equivalent level

- Ensure the communication, training and implementation of this Policy in their organizations.
- Ensure sufficient governance, resources and relevant processes to support compliance and implementation of this Policy.
- Provide the VP Group Sustainability with information on environmental performance and compliance adequacy and effectiveness.

#### 2.3 EVPs and Heads of Group functions

- Ensure the communication, training and implementation of this Policy in their organizations.
- Ensure sufficient governance, resources and relevant processes to support compliance and implementation of this Policy.
- Provide the VP Group Sustainability with information on environmental performance and compliance adequacy and effectiveness.

#### 2.4 All Employees

- Knowledge and application of this Policy.

## 3 Exemptions

There can be no exemptions to this Policy.

## 4 Policy Statement

Alfa Laval is committed to transparency of environmental performance and takes stakeholders' concerns into account. Alfa Laval will as a minimum comply with applicable environmental legislation and regulations. Alfa Laval's commitments are reflected in the Sustainability Strategy and governing documents.

Environmental aspects shall be considered when assessing business risks and opportunities and be included in audits and due diligence processes. This is particularly important when starting relations with new business partners such as suppliers, distributors, acquiring new companies, and developing new products and solutions. Alfa Laval encourages suppliers to comply with the ISO 14001 standard or equivalent.

#### 4.1 Climate change mitigation and adaptation

Alfa Laval is committed to near-term science-based GHG emissions reduction targets and net-zero emissions target across our value chain by 2050 and recognizes the importance of reducing climate impact in own operations and throughout the value chains. Key principles for achieving this ambition include:

- Ensuring that the Alfa Laval strategy and business model support a sustainable, low-carbon economy.

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- Identifying and addressing climate-related physical and transition risks in own operations and value chains.
- Increasing energy efficiency in operations, securing the sourcing of renewable energy and phasing out fossil fuels in own operations.
- Ensuring that Alfa Laval has a portfolio of products with the lowest possible climate impact combined with products and solutions for reducing customer greenhouse gas (GHG) emissions.
- Increasing sourcing of materials and components with a low carbon footprint.

#### 4.2 Circular economy and resource use

Alfa Laval is committed to adopting circularity measures to reduce negative environmental impacts in own operations and in the value chains, including our products and services. Key principles for achieving this ambition include:

- Ensuring efficient use of energy, water and materials in products and processes.
- Designing products in line with circular design principles, e.g. transitioning away from primary raw materials, extending product life span and designing for disassembly and reuse.
- Ensuring a life cycle perspective is applied to secure that new products have a lower environmental impact than the ones they replace.
- Ensuring good management and control of the content in materials, components and chemical products
- Protecting the environment by preventing and abating pollution to air, soil, and water in own operations.
- Reducing water withdrawals particularly in areas with high water risk.
- Improving waste management, aiming at zero waste to landfill in own operations.

## 5 Monitoring of environmental performance and compliance

An Environmental Management System (EMS) shall be used to monitor environmental performance. The EMS shall comply with the ISO 14001 standard or equivalent. Sustainability data shall be reported by all sites according to Group governing regulations and guidelines to measure performance against targets set by Alfa Laval Group Management as part of the Sustainability Strategy.

Implementation and compliance with this Policy are ensured through follow up by control self-assessment, internal controls, and internal audit. The minimum internal control requirements connected to this Policy can be found on the Internal Control function's Sharepoint site [*control designed and will be implemented 2026*].

## 6 Oversight and reporting

Group Sustainability is the oversight function which determines whether this Policy is achieving the intended results. The compliance status shall be reported on a regular basis by Group Sustainability to

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EVP Group Affairs or Risk & Compliance Board. EVP Group Affairs shall promptly be informed of any identified potential non-compliance with this Policy of a significant nature.

The environmental performance shall be reported annually to Group Management and the Board of Directors. The environmental performance shall be externally reported in the annual report.

Alfa Laval encourages Employees to raise concerns in good faith, or based on a reasonable belief, in confidence and without fear of reprisal. Reports shall primarily be made to managers by following the management chain. If reporting through the management chain is not possible, or not appropriate, a report can be made to either the Head of Internal Audit, the Group Compliance Manager, the Policy Owner or by using the Alfa Laval Speak up Portal.

## 7 Revision History

| Issue Number | Revisions      | Adopted by       |
|--------------|----------------|------------------|
| 3.00         | General update | Group Management |

## Appendix 1

| Expression/abbreviation         | Definition   |
|---------------------------------|--|
| Alfa Laval                      | Any reference to Alfa Laval in this Policy shall include all companies in the Alfa Laval Group.  |
| GHG emissions                   | Any gas that absorbs infrared radiation and reradiates it back to the Earth's surface, thus contributing to global warming. Carbon dioxide and methane are among the most significant greenhouse gases (GHG).  |
| Circular economy                | Economic system that uses a systemic approach to maintain a circular flow of resources, by recovering, retaining or adding to their value, while contributing to sustainable development. (ISO 59004)  |
| Climate change adaptation       | The process of adjustment to actual and expected climate change, adapting business strategy and assets to climate-related risks.   |
| Climate change mitigation       | The process of reducing or preventing greenhouse gas emissions that cause climate change.  |
| Climate-related risk            | Physical: risks resulting from climate change, i.e., event-driven (acute) or from longer-term shifts (chronic) in climate patterns.<br>Transition: risks arising from the transition to a low carbon and climate-resilient economy. Typically including policy risks, legal risks, technological risks, market risks and reputational risks. |
| Employees                       | All employees in Alfa Laval, including temporary employees, contingent workers, consultants and assignees.   |
| Environmental Management System | An Environmental Management System (EMS) is a structured framework that helps organizations manage environmental responsibilities and implement environmental policy effectively.  |
| Environmental due diligence     | The process to identify, prevent, mitigate and account for how to address actual and potential negative impacts on the environment connected with Alfa Laval business.   |
| Group governing regulations     | Business Principles, Group Policies, Group Directives and Group Procedures   |
| Local requirements              | Applicable and mandatory law or regulation in a jurisdiction where a Subsidiary operates.  |
| Science-based targets           | Corporate targets for reducing GHG emissions are considered science-based if they are in line with what the latest climate science deems necessary to limit global warming.  |
| Site                            | Manufacturing sites, service centers and all other offices from which Alfa Laval conducts its business.  |
| Subsidiary                      | Any entity where Alfa Laval AB directly or indirectly owns or controls at least 50 percent of the voting shares or other equity interest in the relevant company   |
| SharePoint                      | SharePoint site (Share and Multibrand Portal) where Group Governing regulations are published  |
| Multibrand                      | A competing brand within the same technology area, geographical markets and industries, engaging with customers through differentiated offerings and a company operating under the ownership of Alfa Laval Group with the basic integration model.   |

*Additional definitions and abbreviations are described in Group guidelines*