Press release

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Alfa Laval and Stena Recycling's groundbreaking sustainability initiative debuts in the Nordics

In April 2021, Alfa Laval announced a new partnership with Stena Recycling to introduce a groundbreaking business model for boosting circularity in the heat exchanger supply chain. The collaboration is inspired by the Circular Initiative, a business-driven collaboration arena in circularity led by Stena Recycling. Titled "Re-Made to matter", the new initiative will make it possible to upgrade to a more energyefficient heat exchanger and get a refund on an old one, which will then be recycled. The two companies can now reveal that the exchange programme is set to roll out this week in Sweden, with other countries soon to follow.

"This is a win-win-win for our customers, society and the environment," says Fredrik Ekström, President Business Unit Brazed & Fusion Bonded Heat Exchangers, Energy Division at Alfa Laval. "With the refund incentive to upgrade to more modern, efficient plate heat exchangers, businesses can greatly reduce their energy consumption. In a recent example, we calculated that replacing one 20-year-old heat exchanger would lead to total annual energy savings of up to 83,000 kWh. On top of improved long-term costs, this means a significant reduction in CO_2 emissions."

"And this is really just the start of the sustainability improvements," continues Fredrik Pettersson, Managing Director of Stena Recycling Sweden. "When we receive the returned heat exchanger from the customer, we start the recycling process to recover metals and reintroduce them into the supply chain of raw material, providing environmental gains by decreasing the demand for virgin materials. Working together in this way, we can help close the loop and create a truly effective circular approach for this industry."

A unique industry model

To make these sustainability benefits possible, Alfa Laval and Stena Recycling have developed an entirely new type of business model for the HVAC industry. In addition to helping to achieve decarbonization through increased energy efficiency, the programme has also been designed to accelerate the transition from a linear supply chain to a sustainable, circular one.

"In the traditional, linear supply chain, the end of a heat exchanger's lifecycle represents the end of life for the valuable natural resources it is composed of," explains Fredrik Ekström. "With this programme, our partners at Stena Recycling can recover up to 100% of the metals from the customers' old heat exchangers, thereby minimizing the use of virgin materials needed for manufacturing our new heat exchangers."

The process works as follows:

- Prospective customers visit Alfa Laval's website, where a new, intuitive online tool provides a recommendation for a heat exchanger upgrade based on their current model
- The customer receives an upfront refund, corresponding to the recycling value of their

old heat exchanger

- The old heat exchanger is sent to Stena Recycling, where the metals are recovered
- The recycled material is re-processed, re-coiled and enters the supply chain again to potentially become a new, energy-efficient heat exchanger

Re-Made to matter starts at home

To highlight the many benefits of the exchange programme, Alfa Laval and Stena Recycling have launched the initiative under the heading "Re-Made to matter." The first country where customers will be able to participate is Sweden, where both partners are based.

"Alfa Laval and Stena Recycling are two of the leading innovators in our respective fields, and our organizations have deep roots in Sweden," adds Fredrik Ekström. "We are very excited to be launching 'Re-Made to matter' here at home. We are looking forward to showing customers here and ultimately around the world the power of our combined expertise and passion for sustainability. Not only is this a first big step toward circularity in heating and cooling, but it is also a major step in tackling climate change in our industry, supporting Alfa Laval's aim to become carbon neutral by 2030."

The rest of the Nordic region will soon join Sweden in being able to take part, and plans are underway to introduce the programme in other markets throughout the year.

To learn more about and the partnership and the Re-Made to matter exchange programme, visit <u>www.alfalaval.com/remade</u>. For information on the programme in Swedish, go to <u>www.alfalaval.se/remade</u>.

For further information, please contact:

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Editor's notes

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*[™].

Alfa Laval has 17,500 employees. Annual sales in 2019 were SEK 46.5 billion (approx. EUR 4.4 billion). The company is listed on Nasdaq OMX.

www.alfalaval.com

About Stena Recycling

Stena Recycling makes recycling a sustainable business. With 3,000 committed employees in Sweden, Denmark, Norway, Finland, Poland, Germany and Italy, Stena Recycling creates long-term solutions every day for both customers and society as a whole. In addition to efficient and value-creating recycling, Stena Recycling offers services such as Design for Recycling to increase the recycling rate of products already in the design stage. Stena Recycling is part of the Stena Metall Group

www.stenarecycling.com