



Electrolux For the Better

SUSTAINABILITY IN BRIEF 2016



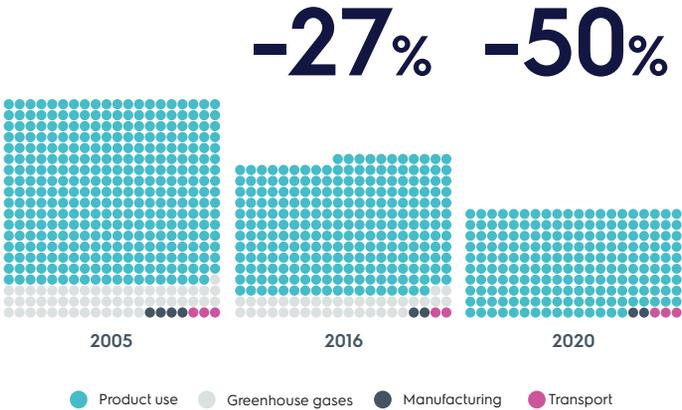
CONTENT

Sustainability highlights 2016	1
Messages from Jonas Samuelson and Henrik Sundström	2
Electrolux in a changing world	4
For the Better	6
Better Solutions	8
Better Operations	12
Better Society	16
Facts & figures	20
About Electrolux	25



THE FULL STORY
electrolux.com/sustainability

PROGRESS ON OUR CLIMATE TARGET FOR 2020



Sustainability highlights 2016

BETTER SOLUTIONS

PLASTIC



recycled plastic in products compared to 2014

STEEL



recycled steel in products compared to 2013

20%

Green Range accounted for 20% of total units sold and 28% of gross profit in 2016



BETTER OPERATIONS

-50%

CO₂ from operations since 2005

+20%

Electrolux revenue

42% 

energy per manufactured product since 2005

70% 

incident rate since 2009

BETTER SOCIETY

Established the Electrolux Food Foundation to support initiatives that tackle hunger, malnutrition, and responsible consumption

6 projects approved for funding



New sustainability e-learning for suppliers in 5 languages



35%

improved CO₂ efficiency in sea transportation since 2011

OUR AMBITIONS FOR 2020



share of renewable energy for our operations



Implement Zero Landfill program at all manufacturing sites



JONAS SAMUELSON



HENRIK SUNDSTRÖM

Sustainability – a transformational driver for Electrolux

Over the past year, we have put the consumer experience at the forefront of our strategy. This is having a profoundly positive impact on the way we do business and interact with consumers – as well as on our approach to sustainability.

With over 60 million home appliances sold annually, we've long recognized the significant impact we have on the environment and in society. Our sustainability strategy has primarily been based on a strong commitment to develop resource-efficient products and solutions that are manufactured in a sustainable and ethical manner. Our vision is to be the best appliance company in the world, as measured by our customers, employees and

shareholders. Last year, we added the planet as our fourth and very important stakeholder.

Consequently, we want to take our sustainability leadership to the next level. This involves building lifelong relationships with consumers through greater digitalization and connectivity, and being perceived as a sustainable partner throughout a product's ownership. Sustainability is a key transformational driver that will support our strategy to create best-in-class consumer experiences.

We know from various surveys that sustainability matters a great deal to consumers, but that they don't necessarily think about it every day. It's important that Electrolux provides products and services that offer people

an easier and more enjoyable life, while helping them to minimize their impact on the planet.

The way we do this is expressed through the Group's sustainability framework – For the Better – which was launched in early 2016 and comprises of three areas: Better Solutions, Better Operations and Better Society. Our comprehensive approach to sustainability is summarized in this report, and described in more detail in our full online Sustainability Report. ■



JONAS SAMUELSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Constantly improving performance

We made very good progress during the year on continuing to integrate sustainability into our operations and improving our sustainability performance.

In many respects, 2016 was a year of social responsibility for us. We launched a new human rights agenda, and defined an agenda for our 'Be a force for good' promise that is related to community engagement and social investment. The establishment of the Electrolux Food Foundation was also a major milestone, which has created a long-term platform to support initiatives and engage with our employees around the world.

We continued to improve our performance in the areas of materials,

energy efficiency and climate change. Our new target to use 50% renewable energy by 2020 is part of our commitment to set science-based climate targets for 2025. I am thrilled to report that Electrolux topped the Household Durables category in the Dow Jones Sustainability World Index, for the tenth consecutive year. We were also recognized by CDP as a global leader in responding to climate change.

Electrolux faces a number of challenges related to sustainability. There is a weaker demand for energy efficient appliances in some markets. In order to reach our objectives, the industry needs to collaborate with other stakeholders, such as legislatures and retailers to increase demand. We must also continue to build on the recent

sustainability progress we have made in our supply chain together with suppliers. This involves ensuring that our suppliers understand the long-term importance of working with the environment, working conditions and ethics.

I believe that looking at Electrolux and the world we operate in through a 'sustainability lens' helps us to further develop our company, our offering, and our stakeholder relations. I look forward to another year of raising the bar and improving performance. ■



HENRIK SUNDRÖM
VP SUSTAINABILITY AFFAIRS

Electrolux in a changing world

The world in which we operate is constantly changing. Demographic drivers are increasing pressure on resources, rapid technological development requires new business approaches, and climate and resource concerns are influencing decision making at all levels. Such global drivers create challenges for our business – but also bring about enormous opportunities.



Demographics

Global demographic drivers – such as population growth, the growing middle class, an aging population and urbanization – are increasing the demand for home appliances, which puts more pressure on natural resources.

IMPLICATIONS FOR ELECTROLUX

- Significant growth potential in emerging markets
- Continued trend to improve the environmental performance of appliances
- Growing importance of the silver-haired consumer group and the increasing number of smaller households
- Potential for new business models, e.g. shared ownership

Climate and resources

The need to reduce greenhouse gas emissions, and adapt to a changing climate and resource limitations, will drive appliance manufacturers toward ‘circular business’ models that promote resource efficiency, cleaner chemistry and waste reduction.

IMPLICATIONS FOR ELECTROLUX

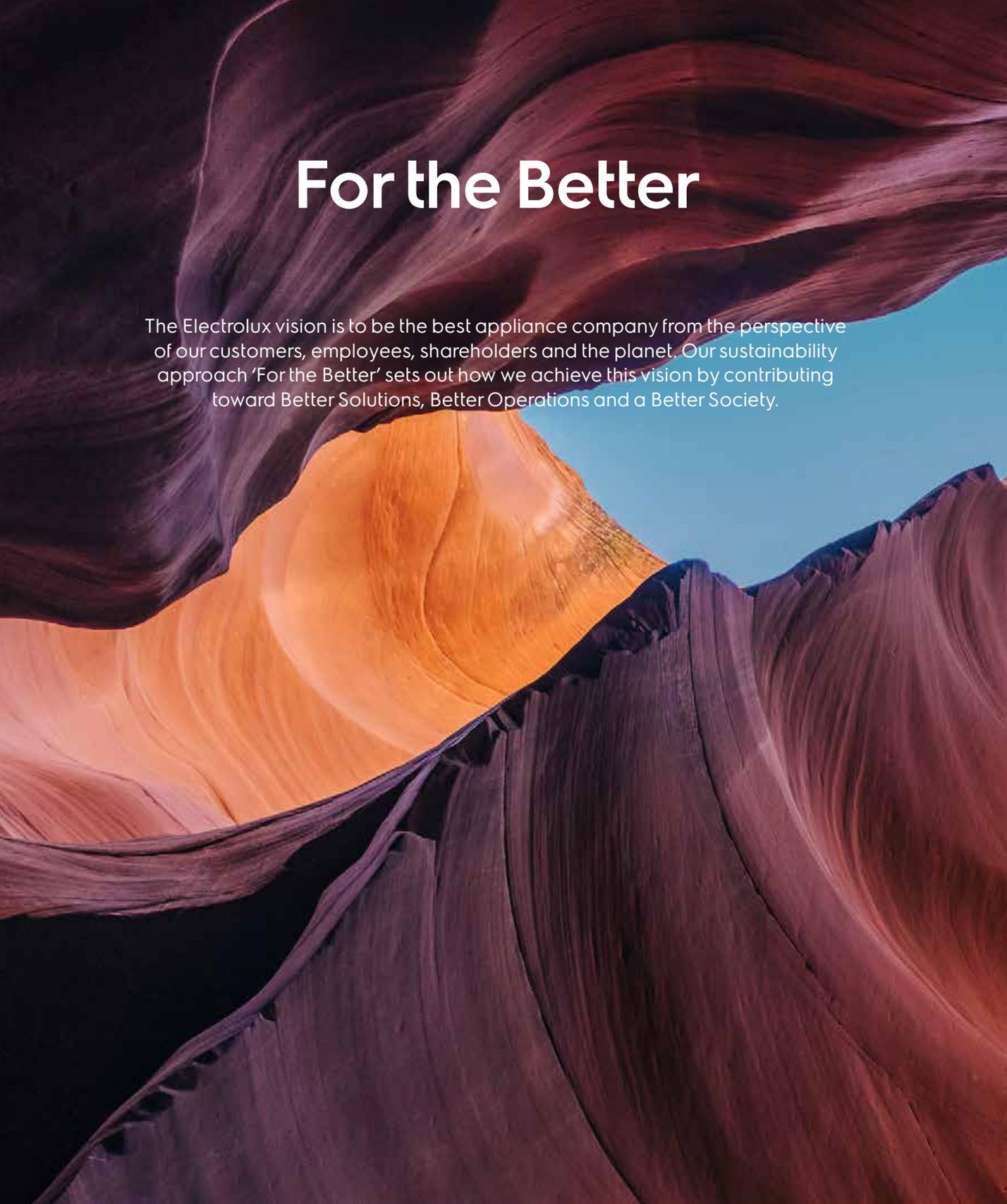
- Continued trend to improve the environmental performance of appliances
- Pressure to reduce water consumption in areas with water scarcity
- Competition for some metals and minerals
- Growing importance of the circular economy
- Expectations to go beyond chemical legislation

Technology

New technologies are scaled rapidly and globally, with purchasing decisions increasingly influenced by online information and social media. The Internet of Things (IoT) promises to connect billions of products in the near future.

IMPLICATIONS FOR ELECTROLUX

- Greater consumer empowerment and awareness requires transparency and sustainable business practices
- Digitalization will drive the next wave of operational efficiency, including closer integration with suppliers
- Connectivity offers opportunities for new business models that result in better resource efficiency
- IoT enables a lifelong relationship between producers and consumers, but requires high standards of data security and privacy



For the Better

The Electrolux vision is to be the best appliance company from the perspective of our customers, employees, shareholders and the planet. Our sustainability approach 'For the Better' sets out how we achieve this vision by contributing toward Better Solutions, Better Operations and a Better Society.

OUR SUSTAINABILITY FRAMEWORK IN BRIEF

For the Better comprises of nine sustainability promises that define our aspirations throughout our value chain until 2020.

Better Solutions

Meeting the growing global market for household appliances without increasing environmental impact requires us to improve product efficiency even further and to use resources more efficiently.

Constantly improve product performance & efficiency

We offer several ranges of energy and water efficient products and are developing the next generation of top performing appliances.

Make better use of resources

We work proactively to increase the proportion of recycled materials in our products and support end-of-life recycling initiatives.

Eliminate harmful materials

We have a thorough approach to material selection that safeguards both human health and the environment.

Better Operations

We work continuously to be more resource efficient, and become a safer and more ethical company.

Achieve more with less

The Electrolux Manufacturing System promotes the efficient use of resources, to minimize environmental impacts and realize cost savings.

Ensure the best health and safety

We take responsibility for every one of our employees through comprehensive health and safety management.

Always act ethically and respect human rights

Our operations around the world are based on the common foundations of respect, diversity, integrity, ethics, safety and the environment.

Better Society

We make a difference in society by working to make all stakeholders throughout our value chain more sustainable, and by promoting a positive impact in the communities in which we operate.

Provide sustainable solutions for everyone

Electrolux brings innovative solutions to emerging markets around the world, which improve the lives of people and help to minimize environmental impacts.

Be a force for good

Through our global reach and local presence, we can make a positive difference to local communities, Electrolux employees and our business.

Improve sustainability in the supply chain

Our products and components shall always be manufactured with respect for people and the environment – regardless of where in the world they are produced.

For more detail and comprehensive performance data, please see our Sustainability and GRI report electroluxgroup.com/annualreports/2016/en/sustainability

50' & ELUX

Better Solutions

Better Solutions is about rethinking our products to make them better not only for consumers and customers - but also for our planet by saving energy, water and resources. Our greatest opportunities for making appliances more sustainable lie in their use phase, which accounts for their most significant lifecycle environmental impacts.



1

PROMISE

Electrolux will improve the energy and water performance of our appliances, raising the bar for product efficiency around the world. Efficient solutions help our consumers and customers to live better lives, save money and reduce their environmental footprint.

2

PROMISE

Electrolux will make better use of resources by using more recycled materials, and helping to develop the market for recycling. Material recycling preserves resources, creates business value and reduces the environmental impact.

3

PROMISE

Electrolux will protect people and the environment by managing chemicals carefully and continuing to replace those that cause concern. With a proactive chemical management approach our consumers and customers can be reassured that we carefully control potentially hazardous substances.



Recycled material is making it big

Following the success of incorporating recycled plastic in our vacuum cleaners, we are increasing our use of recycled material in our appliances to create better products, new business opportunities and reduce environmental impact.

Carborec® is a plastic compound based on recycled polypropylene that was developed and optimized for appliances by Electrolux. The compound, which leads to 30% less CO₂

emissions than virgin material, is now used in various product lines and we continue to identify new uses in our appliances.

Scrap-based steel is gradually replacing steel produced from iron ore to significantly reduce our CO₂ emissions. Our production units in North America have led the way on scrap-based steel and we are now identifying potential opportunities in other regions. ■

Washing hospital infections away

With infections in hospitals a major challenge around the world, laundry hygiene is crucial to promote patient safety.

According to the World Health Organization, hundreds of millions of patients are affected by health care-associated infections worldwide each year. Electrolux Professional has both the equipment and the expertise to help combat hospital infections and maintain laundry hygiene. Our Laundry Cycle Management concept is the core of our approach and ensures that dirty laundry never contaminates

clean laundry. "Washing linen is an easy task for any hospital, but keeping it uncontaminated until it is used is the real challenge," says Landry Guillochon, Global Segment Manager Care at Electrolux Professional.

We develop solutions in close co-operation with users, and advise hospitals on how to manage the laundry cycle to maintain top hygiene. Several national healthcare systems have now embraced our Laundry Cycle Management approach. "We want to promote our capacity to support hospitals and other facilities with holistic solutions, far beyond just installing washers and dryers," says Guillochon. ■

Bright ideas for better food

Gathering ideas from our consumers and employees helps us to create even better products and services.

The **Electrolux Ideas Lab** is a global ideas competition to inspire people around the world to enjoy tastier, healthier and more sustainable home cooking. 530 ideas were submitted in 2016 and the winning idea was **Watch-Yourself**, a wrist-worn gadget that scans food straight off the supermarket shelf and projects recipes into the palm of your hand.

iJam is our employee crowdsourcing event that invites colleagues to contribute ideas for products, accessories, consumables and services, and collaborate to improve each other's ideas. The 72-hour online event develops ideas for the Electrolux Global Innovation Portfolio. ■



MORE BRIGHT IDEAS
electroluxideaslab.com



Treating your clothes with respect

New SoftWater Technology enables our AEG 9000 Series washing machines to take better care of your fabrics and help them last longer – while using 70% less energy than an A+++ rated machine.

SoftWater Technology is one of our latest solutions to help consumers optimize environmental performance and take better care of fabrics, by keeping fabrics soft and in-shape while preventing fading.

The technology uses an ion-exchange filter to purify and soften the water supplied to the washing machine without adding chemicals. As detergents work more effectively in softened and purified water, the machine can deliver 60 degree washing results at only 30 degrees, which is gentler on fabrics, and reduces the use of energy and detergents. ■

“We received so many great ideas, not just products but experiences too, about how we can connect our smart devices and give new ways for consumers to interact with our products and benefit from them.”

JONAS SAMUELSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
ON THE ELECTROLUX IDEAS LAB



HIGHLIGHTS BETTER SOLUTIONS

We're increasing the use of recycled materials in our products

- In 2016, we almost doubled the amount of recycled plastic we use compared with 2014 to 7,400 tonnes. Our ambition for 2020: Use 20,000 tonnes of recycled plastic annually
- We have increased the amount of recycled steel from 7% in 2013 to 22% in 2016 – reducing CO₂ emissions by 170,000 tonnes

Our products contribute toward reducing climate change

- In 2016 our most energy and water efficient products accounted for 20% of total units sold and 28% of gross profit
- Improvement in product energy efficiency has resulted in a 26% CO₂ emissions saving since 2005, equivalent to 12 million tonnes CO₂
- We invest around a third of our R&D spend on product efficiency



Better Operations

We place the highest of demands on ourselves when it comes to running our business in a sustainable and ethical manner. Making our operations better ensures we are part of the solution toward a more sustainable future.



4

PROMISE

Electrolux will shift to renewables, and optimize the use of energy and other resources throughout its operations. Operational efficiency and the use of renewable energy will reduce our environmental footprint and improve competitiveness.

5

PROMISE

Electrolux will be the leader on health and safety in the appliance industry, wherever we operate in the world. Best-in-class health and safety prevents accidents and keeps our people safe and sound, no matter where they work.

6

PROMISE

Electrolux will continue to commit to high ethical standards and human rights in our operations. We continue to build an ethical and trusted company, where people can feel confident that their rights are respected.



ACHIEVE MORE WITH LESS

World leader on climate action

Electrolux has been included in the 2016 CDP Climate Change A list for our work to reduce our carbon emissions, and we are committing to ambitious science-based climate targets.

We have successfully halved our greenhouse gas emissions per unit manufactured since 2005. This was achieved by using on average 42% less energy to manufacture our products, and by increasing our use of renewable energy.

In 2016, we launched a new target to increase the proportion of renewable energy used in our operations to 50%, which will require us to more than double our use of renewable energy. The target is part of our commitment to set science-based climate targets for 2025, in support of the ratified COP21 Paris agreement to keep the global temperature rise below 2°C. ■



FOR MORE INFO ABOUT THE SCIENCE-BASED TARGETS INITIATIVE VISIT [HTTP://SCIENCEBASEDTARGETS.ORG/](http://sciencebasedtargets.org/)

Human rights in focus

We are developing a company-wide approach to human rights by identifying and assessing risks together with stakeholders.

Human rights are at the core of our For the Better promise 'Always act ethically and respect human rights'. Building on our Code of Conduct and way of managing human rights throughout our value chain, we have established a

governance structure and an approach that identifies the most important issues.

During 2016, we piloted a methodology to identify and assess human rights risks, together with all parts of our business, and in consideration of external stakeholder perspectives. Local human rights assessments are planned for 2017, to further refine our risk profile and remediating actions. ■

ENGAGEMENT

Sustainability at work

According to our Employee Engagement Survey 2016, 80% of employees believe that sustainability is a natural part of their everyday work, and 74% are proud of how the company demonstrates its environmental and social responsibility.

Sustainability - in the words of our employees:



"Consumers and employees expect Electrolux to be a good corporate citizen, and it's important that we see the big picture and don't just focus on the short-term gains,"

CARLA SCHÖN, EHS DIRECTOR, MAJOR APPLIANCES-EMEA, INDUSTRIAL OPERATIONS.



"We need to use even more environmental-friendly materials, make even more energy efficient products and be more efficient in production and logistics,"

ANDREAS POHL, PRODUCT TECHNOLOGY MANAGER, R&D, HOME CARE & SMALL DOMESTIC APPLIANCES.



"It influences our planet, our health and our quality of life - not only for us but for future generations,"

SERENA LI, CONTRACT MANAGER, GLOBAL LOGISTICS.



HIGHLIGHTS BETTER OPERATIONS

We're actively reducing our carbon footprint

- We have reduced the CO₂ footprint in our operations by 293,000 tonnes between 2005 and 2016, while the Group's revenue has increased by 20%
- We now use 42% less energy on average per manufactured unit than in 2005

Our ambition for 2020

- We have committed to improve energy efficiency by an additional 20% compared with 2015
- Increase our share of renewable energy for our operations to 50%

New waste commitment

- Implement our Zero Landfill program at all manufacturing sites by 2020

We continue to reduce our injury rate

- We continue to reduce our global injury rate (TCIR) by at least 5% every year
- Since 2009, our incident rate has declined by 70% across the Group



Better Society

We are not just a leading global company in our industry
— we are also a part of the society in which we operate.
By helping our entire value chain to become more sustainable,
and by making a positive impact in local communities,
we contribute toward a better society.



7

PROMISE

Electrolux will leverage its global presence to accelerate technology transfer to emerging markets. Sustainable solutions will be available to more people around the world, giving them the opportunity to live better lives.

8

PROMISE

Electrolux will focus our social investments and community activities on global food-related challenges, such as hunger, nutrition, food waste and responsible consumption. Our initiatives will make a positive difference in our local communities, focusing on important social needs.

9

PROMISE

Electrolux will ensure that all suppliers live up to our high expectations, no matter where they are located, and we will support the transition to more sustainable practices. Responsible sourcing means that our products are made with respect for the people who made them and with care for the environment throughout our global supply chain.



Helping to feed the planet

Tackling the issues of sustainable food consumption through various initiatives and partnerships around the world.

In 2016, we established the Electrolux Food Foundation with an initial contribution of SEK 10 million. The foundation is a long-term platform for engaging employees and funding food and sustainability initiatives around the world.

We have also established a partnership with Worldchefs, an international network organizing 10 million chefs around the world, and the youth-led organization AIESEC. Electrolux works together with Worldchefs and AIESEC through the Feed the Planet partnership. ■

Recent initiatives include

- Asia food waste program
- Educational kitchen in Curitiba, Brazil
- Supporting Stockholm City Mission, Sweden
- Working together with FoodSharing, Poland
- Supporting global humanitarian work through Worldchefs without Borders
- Sustainability curriculum for chef schools around the world



United for efficiency

Electrolux is involved in developing global energy efficiency standards through the United Nations United for Efficiency (U4E) initiative.

Improving living standards around the world are increasing the demand for appliances, and electricity use is expected to double by 2030. We can help meet the growing need for appliances by offering affordable energy-efficient products that allow people to enjoy modern life while minimizing their climate impact.

U4E is a public-private partnership that promotes efficient appliances and equipment. It aims to contribute to a 10% decrease in global electricity consumption, and an absolute reduction of 1.25 billion tonnes of carbon emissions by 2030. Electrolux, together with our industry partners, supports U4E with expertise, data and best practice examples to make the environmental and financial case for high-efficiency products. ■

10%

targeted reduction in global electricity consumption through U4E



Electrolux and the UN Sustainable Development Goals

Many of our For the Better promises are directly related to the SDGs, which were launched by the United Nations in 2015 to end poverty, protect the planet, and promote peace and prosperity.

The SDGs provide a valuable framework for businesses such as Electrolux to align our work in accordance with the priorities of society.

As a global leader in home appliances, SDG number 12, 'Responsible consumption and production' – is the most important SDG for our business.

We strive to bring resource-efficient products, manufactured in a sustainable way, to as many people as possible around the world. We have set very ambitious targets to reduce the footprint of our products and production, including our suppliers. ■

MOST RELEVANT SDGS TO ELECTROLUX



IMPROVE SUSTAINABILITY IN THE SUPPLY CHAIN

Safe and sound operations at our suppliers

We work closely together with our suppliers to ensure they live up to our high expectations on labor conditions, human rights and environmental management – regardless of where they are located.

“We want suppliers to realize that being a good employer and protecting the

environment is not primarily about compliance, but about running a sound, future-oriented business,” says Cecilia Nord, Group Sustainability Director, Responsible Sourcing.

The Electrolux Code of Conduct is the backbone of our supply chain work, and our Responsible Sourcing Program



HIGHLIGHTS
BETTER SOCIETY

The Electrolux Food Foundation and the Feed the Planet partnership

- Partnering with Worldchefs and AIESEC, with over 10 million professional chefs in over 100 countries
- Over 15 million people reached in Asia on the need to decrease food waste
- Close to 71,500 meals/food bundles for people in need

We engage with our suppliers

- Launched new sustainability e-learning in 5 languages in 2016
- Provided 189 suppliers with sustainability training

Improving transport efficiency

- 35% improved CO₂ efficiency in sea transportation since 2011 and 3% improvement in land transportation compared to 2015

1 Constantly improve product performance & efficiency

THE ROADMAP TO 2020		NEXT STEPS	GLOBAL GREEN RANGE
Be a leader in product efficiency in our most important markets by 2020.	●	Preparing for energy labeling and raised energy-efficiency standards in the EU and for refrigeration in Australia. Include targets for Electrolux Professional.	<p>20/28%</p> <p>THE GLOBAL GREEN RANGE ACCOUNTED FOR 20% OF TOTAL UNITS SOLD AND 28% OF GROSS PROFIT FOR CONSUMER PRODUCTS</p>
Continue to develop products with good environmental performance, with a focus on energy efficiency.	●	Further integration into product R&D. Continue to spend one-third of our R&D budget on sustainable product innovation, in terms of water and energy efficiency.	
Continue to drive the market for efficient products through awareness-building customer and consumer campaigns.	①	Continue to develop consumer and customer engagement initiatives to drive the uptake of efficient solutions.	

2 Make better use of resources

THE ROADMAP TO 2020		NEXT STEPS	RECYCLED PLASTIC
Replace virgin materials with recycled materials in our products.	●	Expand strategic partnerships with suppliers. Leverage experience from Europe in other regions.	<p>TONNES</p> <p>20,000</p> <p>15,000</p> <p>10,000</p> <p>5,000</p> <p>0</p> <p>2012 2014 2016 2018 2020</p>
Adapt product design to further increase the use of recycled material.	①	Explore and adapt product design to incorporate recycled materials. Assess the possibilities to increase the share of recycled materials in already approved applications. Assess new components.	
Increase the volume of recycled plastic to 20,000 tonnes annually.	①	Focus purchasing and R&D efforts to enable the introduction of additional sources of recycled plastic.	
Increase the amount of scrap-based steel in our production.	●	Investigate the potential for replicating successful action in North America by investigating the supply of scrap-based steel in other sectors.	

3 Eliminate harmful materials

THE ROADMAP TO 2020		NEXT STEPS	HIGH-IMPACT GREENHOUSE GASES
Implement a best-in-class global system for improving the control of chemicals throughout our complex supply chain and work with suppliers to replace chemicals of concern.	🟡	Complete the implementation of chemical management system for Asia Pacific, Home Care & Small Domestic Appliances and Professional Food Service equipment.	<p>-30%</p> <p>GREENHOUSE GAS REDUCTION (CO₂ EQ.) IN PRODUCTS RELATIVE TO 2005</p>
Raise the bar on chemical requirements, taking into account new scientific findings.	🟢	Annual update of the Electrolux Restricted Materials List.	
Eliminate all high-impact greenhouse gases in our air conditioning, food preservation and fabric care globally.	🟡	Phase-out high-impact greenhouse gases such as foam blowing agents and refrigerants in our products.	

4 Achieve more with less

THE ROADMAP TO 2020		NEXT STEPS	EMISSIONS PER NET SALES
Improve the energy efficiency of manufacturing sites and warehouses by 20% by 2020 (baseline 2015), engaging all facilities worldwide.	🟢	Continue to drive energy efficiency in our operations through our Green Spirit certification process. Replace inefficient equipment with more efficient models. Improve and optimize the use of existing manufacturing equipment	<p>TONNES</p> <p>SCOPE 1 AND SCOPE 2 (CO₂ TONNES/MSEK)</p>
Reduce water consumption in manufacturing by 5% every year in areas of water stress, until the site has reached optimal levels of efficiency.	🟡	Continue to drive water management and replace inefficient equipment and processes with more efficient models.	
Attain energy management certification for our operations around the world.	🟢	Attain global certification for energy management according to ISO 50001 by 2018.	
Increase the proportion of renewable energy for our operations to 50% by 2020.	🟢	As of 2016, 13 manufacturing sites in Europe switched to renewable electricity. Evaluate and set a plan for the other regions.	
Implement our Zero Landfill program at all manufacturing sites by 2020.	🟢	Expand the current pilot program from 4 to 10 factories in total.	

- 🟢 On track to achieving this objective
- 🟡 Additional effort is required in order to achieve this objective
- 🔴 Off track to achieving this objective
- 🟤 Work towards this objective has not yet begun

5 Ensure the best health and safety

THE ROADMAP TO 2020		NEXT STEPS	INJURIES			
Continue to reduce our global injury rate (TCIR) by at least 5% every year.	●			2016	2015	2014
Attain safety certification for our operations around the world.	●	To be aligned with the launch of the new ISO 45001 standard.	Number of work-related injuries Injury rate ¹⁾	241 0.6	386 0.9	401 0.9
Integrate the Group's safety program into new acquisitions within three years of purchase.	●		Number of workdays lost due to occupational injuries Lost day rate ¹⁾	3,664 8	4,729 11	3,088 7
			Number of work-related fatalities	0	1	0
			¹⁾ per 200,000 hrs			

6 Always act ethically & respect human rights

THE ROADMAP TO 2020		NEXT STEPS	CODE OF CONDUCT AWARENESS
Develop and implement a cohesive, Group-wide approach to human rights.	●	Develop and pilot a local human rights impact assessment in 2017.	 <p>85% OF EMPLOYEES UNDERSTAND HOW TO ACT IN LINE WITH THE CODE OF CONDUCT</p>
Provide guidance to employees on how to do the right thing by promoting the Code of Conduct and Code of Ethics.	①	Achieve global rollout of the Ethics at Electrolux program. Continue the rollout of the Code of Conduct educational campaign, with the aim of reaching all employees.	
Be responsive and respectful when dealing with issues of concern, building trust in our Ethics Program among employees.	●	Work to improve the degree of employee trust in the Ethics Helpline in those countries with low scores in the 2016 employee engagement survey. Further develop our process for handling Ethics Helpline cases, through shared learning and common principles of integrity and confidentiality.	

7 Provide sustainable solutions for everyone

THE ROADMAP TO 2020		NEXT STEPS	SUSTAINABLE SOLUTIONS
Electrolux will leverage its global presence to accelerate technology transfer to emerging markets.	●	Develop global platforms with a high degree of modularization to deliver affordable products with good environmental performance.	 <p>-10% TARGETED REDUCTION IN GLOBAL ELECTRICITY CONSUMPTION THROUGH U4E</p>
Engaging in United for Efficiency (U4E), a UNEP-led project to advise governments on areas such as energy labeling, incentive programs, and the disposal of refrigerators.	●	Continue to support U4E projects.	

8 Be a force for good

THE ROADMAP TO 2020		NEXT STEPS	ELECTROLUX FOOD FOUNDATION IN 2016
Establish and implement a Group approach to social investment, focusing on key strategic areas of need that fit with our business strategy.	●	Implement local and global projects supported by the Electrolux Food Foundation and the partnership with Worldchefs and AIESEC - learn, replicate and scale-up.	 <p>6 PROJECTS WERE APPROVED FOR FUNDING - 2 GLOBAL AND 4 LOCAL</p>

● On track to achieving this objective

● Additional effort is required in order to achieve this objective

● Off track to achieving this objective

○ Work towards this objective has not yet begun

9 Improve sustainability in the supply chain

THE ROADMAP TO 2020		NEXT STEPS	REMEDiation OF NON-COMPLIANCE FINDINGS															
Take a hands-on approach toward our direct suppliers of components, finished goods, licensed products and services. Engage selectively further up the supply chain and promote responsibility among all suppliers toward their own supply chain.	●	Deploy the RSP program fully in South East Asia and North America. Reinforce the onboarding process for manufacturers licensing Electrolux brands.	<table border="1"> <caption>NUMBER OF FINDINGS</caption> <thead> <tr> <th>Category</th> <th>Initial audit</th> <th>Follow-up audit</th> </tr> </thead> <tbody> <tr> <td>Minor findings</td> <td>~1,100</td> <td>~350</td> </tr> <tr> <td>Major findings</td> <td>~950</td> <td>~500</td> </tr> <tr> <td>Critical findings</td> <td>~650</td> <td>~300</td> </tr> <tr> <td>Zero tolerance</td> <td>~50</td> <td>~10</td> </tr> </tbody> </table>	Category	Initial audit	Follow-up audit	Minor findings	~1,100	~350	Major findings	~950	~500	Critical findings	~650	~300	Zero tolerance	~50	~10
Category	Initial audit	Follow-up audit																
Minor findings	~1,100	~350																
Major findings	~950	~500																
Critical findings	~650	~300																
Zero tolerance	~50	~10																
Screen prospective suppliers to ensure they can live up to our expectations.	●	Implement minimum pace of improvement standards for suppliers as well as related sanctions.																
Increase awareness and capabilities among our prospective and existing suppliers through training and dialogue.	●	Deploy e-learning throughout additional high-risk markets and integrate into supplier candidate screening and onboarding processes.																
Drive the improvement of supplier ecological footprints.	◐	Increase the number of suppliers participating in our energy monitoring and efficiency initiative.																
Leverage our influence over logistics companies to improve the CO ₂ efficiency of our transportation by 15% by 2020.	●	<p>Continue the implementation of an environmental scorecard in the tendering process for dedicated transport services in 2017.</p> <p>Set up supplier meetings to share/discuss best practice and action plans.</p> <p>Proactively contribute to the BSR Clean Cargo initiative, which aims to improve the environmental performance of marine container transport.</p>																

- On track to achieving this objective
- ◐ Additional effort is required in order to achieve this objective
- Off track to achieving this objective
- Work towards this objective has not yet begun



Concept, text and production: Electrolux Sustainability Affairs and Hallvarsson & Hallvarsson.
Photo: p.2, Olof Holdar, p. 4-5, Luca Bravo, p. 6-7 Ashim D'Silva and p.18 Aaron Burden.

The Electrolux vision

We will be the best appliance company in the world,
as measured by our customers, employees, shareholders and planet.

Our offering

Electrolux is a global leader in household appliances and appliances for professional use. We offer thoughtfully designed, innovative and sustainable solutions, under esteemed brands including Electrolux, AEG, Zanussi and Frigidaire.

60

MILLION PRODUCTS SOLD ANNUALLY

150

COUNTRIES

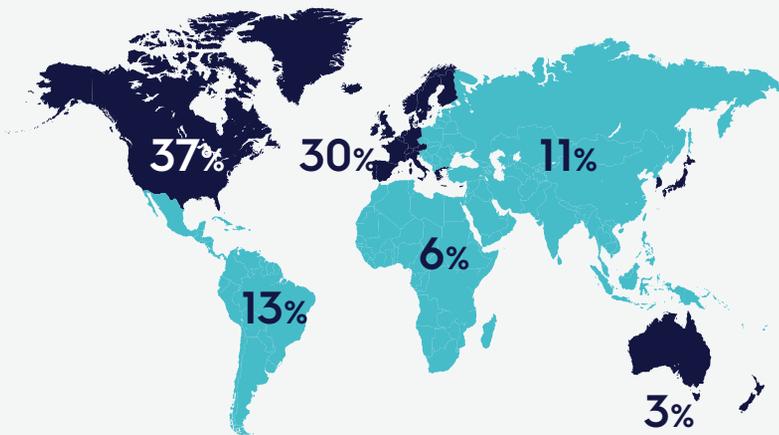
121

BILLION SEK IN SALES

55,400

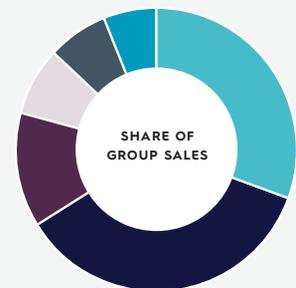
EMPLOYEES

Sales by region



■ Core markets

■ Growth markets



■ Major Appliances North America	35%
■ Major Appliances EMEA	31%
■ Major Appliances Latin America	13%
■ Major Appliances APAC	8%
■ Small Appliances	7%
■ Professional Products	6%

AWARDS AND RECOGNITION

The Group's sustainability performance helps attract and strengthen relations with investors. Over the last year, our commitment to sustainability was recognized by:

DOW JONES SUSTAINABILITY WORLD INDEX For the tenth consecutive year, Electrolux has been named Industry Leader in the Household Durables category in the prestigious Dow Jones Sustainability World Index (DJSI World). DJSI World includes the 10% best-in-class economic, environmental and social performers among the world's 2,500 largest companies. Electrolux has been included every year since the index was launched in 1999.

ROBECOSAM Electrolux has received the Gold Class award in the RobecoSAM Sustainability Yearbook, which is an annual rating of the leaders in corporate sustainability.

CDP CLIMATE A LIST Electrolux has been identified as a global leader in responding to climate change by CDP (formerly the Carbon Disclosure Project). The 2016 CDP Climate Change A list includes an exclusive group of companies.

GLOBAL COMPACT 100 The Global Compact 100 (GC 100), developed in partnership with Sustainalytics, is composed of a representative group of Global Compact companies, selected based on their implementation of the ten principles and evidence of executive leadership commitment and consistent baseline profitability.



AB Electrolux (publ), 556009-4178

Mailing address: SE-105 45 Stockholm, Sweden

Visiting address: S:t Göransgatan 143, Stockholm

Telephone: +46 8 738 60 00 Website: electroluxgroup.com

Online Sustainability report:

electroluxgroup.com/annualreports/2016/en/sustainability

